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ASEAN To Propose Reconciliation Committee
BK2507024789 Bangkok THE NATION in English
25 Jul 89 p 2

[By Kawi Chongkitthawon]

[Text] The Association of Southeast Asian Nations (ASEAN) has agreed to propose to France the setting up of a new committee to consider the question of national reconciliation among the warring Cambodian factions, when the Paris peace talks begin this weekend, a Foreign Ministry source said yesterday.

The ASEAN decision came after the ASEAN Standing Committee, chaired by Indonesia, agreed to a recommendation made by ASEAN's Paris Committee, which is made up of the ambassadors of ASEAN countries to France.

The Paris Committee met last week to propose that a "Committee of National Reconciliation" be formed at the Paris conference to facilitate the peace process immediately after the Vietnamese troop withdrawal, scheduled for the end of September.

The Paris Committee now plans to submit the proposal to Jean Perrin, the co-ordinator of the International Conference on Cambodia, when the month-long conference opens on Sunday, according to the source.

The proposal will state that the committee's responsibility is to "provide successful conditions leading to the establishment of a provisional government of national reconciliation, and the installation of an international peacekeeping force during the transitional period leading to the general election.

In a closed door meeting at the Foreign Ministry on Saturday, representatives from the US, Singapore and Thailand agreed that the committee is crucial to the success of the negotiations in Paris.

The idea of a separate committee was raised by Foreign Minister Sitthi Sawetsila, after he received a memorandum on the peace conference from the French Foreign Ministry last week. France suggested that three working committees be set up at the conference to discuss the Vietnamese troop pullout, an International Control Mechanism to verify the withdrawal and the cessation of foreign interference, and a committee on repatriation of refugees and the economic reconstruction of Cambodia.

The committee issue has become a bone of contention, with France, as host, saying that a discussion on reconciliation could be an act of interference in Cambodian internal affairs, and ASEAN viewing the discussion as crucial to any comprehensive settlement.

During his visit here last week, Gerard Renon, France's defence minister, assured Thailand that this topic will be discussed in the conference, but not necessarily under the auspices of a new committee.

Sitthi, who leaves for Paris on Friday, said that China also supports the idea of another committee.

The international conference will begin on Sunday with an opening speech by French President Francois Mitterrand, according to the source. It is not known at this time whether resistance leader Prince Norodom Sihanouk will be allowed to make his address immediately after Mitterrand, as he has wished.

Phnom Penh Sets Vietnam Withdrawal Date
OW2507135889 Tokyo KYODO in English 1326 GMT
25 Jul 89

[By Yutaka Negishi]

[Text] Paris, July 25 KYODO—Kampuchean Prime Minister Hun Sen said Tuesday Vietnamese troops will be out of the country by September 26.

Vietnam announced in April that it would end its military presence in Kampuchea by the end of September but had given no specific date.

Hun Sen specified the pullout date in a meeting with leaders of Kampuchean resistance forces held at a chateau outside Paris.

"The final total withdrawal will take place from 21 to 26 September 1989," according to a statement released after the meeting.

"From 27 September 1989, all Vietnamese volunteers will have been completely withdrawn from Kampuchea," it said.

Vietnam deployed almost 200,000 troops in Kampuchea at one time. Diplomatic sources here said the announcement represents a fresh initiative by the Hun Sen government and Vietnam to spur the peace negotiations which involve Hun Sen and leaders of the three-party coalition government of Democratic Kampuchea led by Prince Norodom Sihanouk.

Hun Sen and Sihanouk met separately Monday but could not agree on whether the Khmer Rouge, the strongest of the three guerrilla groups, should be allowed to join any future Kampuchean government.

The Phnom Penh government and the resistance forces also disagree over the shape of an international control mechanism to monitor Vietnam's withdrawal and formation of a provisional government.

France will host an international conference on Kampuchea here Sunday through Tuesday involving the four Kampuchean factions, five permanent UN Security Council members, six ASEAN countries, Japan, India, Australia and Canada.

UN Secretary General Javier Perez de Cuellar will also attend the conference.

Cambodia Talks Break Up in 'Disagreement'

AU2507141089 Paris AFP in English 1323 GMT
25 Jul 89

[Text] La Celle-Saint-Cloud, France, July 25 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk left roundtable talks between the country's four warring factions here Tuesday saying there was "complete disagreement".

The prince told reporters after a four hour and 15 minute session: "I am very pessimistic and it is not worth meeting again tomorrow."

Asked if he would attend the International Conference on Cambodia scheduled to open in Paris on Sunday, he said the French Foreign Ministry had asked him not to answer.

Tuesday's talks followed an inconclusive meeting on Monday between the prince and Hun Sen, prime minister of the Vietnamese-backed government in Phnom Penh. Both sides firmly reiterated conditions which the other had already rejected as unacceptable.

Prince Sihanouk said Tuesday's talks had raised five points, but he appeared in such disarray he could only outline one—the question of Cambodia's representation at the conference.

He said he had proposed to Hun Sen that all four faction leaders—which would include his resistance allies Khmer Rouge chief Khieu Samphan and Son Sann, head of the conservative Khmer People's Liberation Front—attend the conference as one delegation called Cambodia.

But Hun Sen had refused 10 times, the prince told reporters.

Hun Sen wanted two delegations, he said. "We reject the idea of two Cambodias. It would be mortal for the future of our country. There must be no partition," the prince said.

The talks were chaired by French Foreign Minister Roland Dumas, who described them as "informal."

Representation Cited as Problem

BK2607011189 Bangkok BANGKOK POST in English
26 Jul 89 pp 1, 3

[By Anurat Maniphan reporting from La Celle-Saint-Cloud, west Paris]

[Text] The roundtable talks between the four warring Cambodian factions ended here yesterday in deadlock amid disagreement over Cambodian representation in the International Conference on Cambodia scheduled to start Sunday.

After a meeting lasting over four hours, Cambodian resistance leader Prince Norodom Sihanouk, said: "the disagreement was total.

"It's worse than yesterday. I am very pessimistic and it is not worth meeting again tomorrow (today)," the prince said after the meeting.

Monday's talks between the prince and Mr Hun Sen ended in discord as both disagreed on participation in the talks by the Khmer Rouge.

In a separate interview, Phnom Penh Premier Hun Sen said "the negotiations today were most strained."

He pointed to "tension between me and the Khmer Rouge" as a reason for the disagreement.

Khieu Samphan, vice premier of the United Nations-recognised Coalition Government of Democratic Kampuchea (CGDK) and accredited as being a "moderate" Khmer Rouge leader led the group described by Mr Hun Sen as "Pol Potists."

Mr Son Sann, head of the Khmer People's National Liberation Front (KPNLF) also attended the talks, the third quadripartite gathering after the Jakarta Informal meetings known as JIM-I and JIM-II, respectively in July 1988 and February 1989.

Mr Hun Sen said there had been a "definite regression" in the talks with understandings reached at the JIM-I, JIM-II and his May talks with Prince Sihanouk "abandoned."

The Phnom Penh leader blamed the state of affairs on the Khmer Rouge.

Mr Hun Sen maintained that he had "given maximum concessions," saying "I have no more cards to play."

He underlined the fierce disagreement over Cambodian representation at the upcoming international conference as a reason for yesterday's deadlock.

But he did not rule out the possibility of a "compromise" being worked out in time.

Mr Hun Sen wants two Cambodian delegations represented at the international conference, his and that of the CGDK.

The CGDK call for four parties in one delegation is "unacceptable for us because there are two opposing forces," he said.

Prince Sihanouk told reporters that Mr Hun Sen's formula could not be accepted "because we want no partitioning." There is "only one government," he said.

"We reject the idea of two Cambodias. It would be mortal for the future of our country," the prince said.

Mr Hun Sen stressed that the international conference should go ahead regardless of the deadlock on internal issues.

At the same time he stressed that the internal issues should be decided by the Cambodians themselves.

"That is why I am always ready for talks with Cambodians (factions) anywhere, anytime," the Phnom Penh leader said.

Mr Hun Sen said the international conference had "no right" to take up the question of national reconciliation.

He said the primary task of the international conference should be to deal with questions of the Vietnamese withdrawal in "parallel" with cessation of aid and the non-return to power of the Khmer Rouge—according to the understanding reached at the JIM-I and JIM-II meetings.

According to Prince Sihanouk, Mr Hun Sen did not only reject a single, four-party delegation but also turned down a proposal for him to go to the United Nations as part of the delegation of Cambodia.

Asked if he would attend the international conference starting this Sunday, the prince said the French Foreign Ministry had asked him not to answer.

Asked about the Cambodian-Vietnamese Treaty of Friendship signed in February 1979, Mr Hun Sen pointed to the July 20 declaration of neutrality and said all agreements with foreign states that went against this would be considered invalid.

Khmer Rouge senior diplomat Thiounn Prasith, acting as the resistance spokesman, said the roundtable yesterday covered the International Control Mechanism [ICM], the peacekeeping force and the ceasefire.

He said the CGDK insisted on United Nations participation in the ICM and the peacekeeping force, the latter with a force of 10,000.

Mr Hun Sen agreed to "limited control" by the ICM but rejected any United Nations role, he said.

Prince Sihanouk is scheduled to hold a press conference today while French officials assured that the international conference would go ahead as scheduled.

Meanwhile the Phnom Penh regime announced here yesterday that the "final total withdrawal" of Vietnamese troops would be completed by September 27, three days ahead of schedule.

A declaration released by the regime said the "final" pullout of Hanoi's troops would take place from September 21-26, 1989 "by way of land, river and sea routes."

The points of exit were not announced but Mr Hun Sen said they would be made known during the course of the international conference.

He said the roundtable yesterday was informed of the new withdrawal plan with a view of discussing a ceasefire.

But there was no agreement on it as the CGDK demanded a ceasefire in the context of a comprehensive solution, incorporating the Khmer Rouge in a quadripartite provisional coalition government.

Vietnam had an estimated 180,000 to 200,000 troops in Cambodia at the height of its involvement. It is now estimated to have about 60,000 troops left.

Sihanouk Comments on 'Pessimism'

*LD2507174789 Paris Domestic Service in French
1700 GMT 25 Jul 89*

[Text] Here is Norodom Sihanouk on his profound disagreement with Mr Hun Sen, the current Cambodian premier, who was put in power by the Vietnamese.

[Begin Sihanouk recording] I am very pessimistic, very pessimistic, but the Quai d'Orsay has just asked me not to go too far in my pessimism. There is no point in meeting again tomorrow. Why tomorrow, because we have said everything that needs to be said? Disagreement is total.

Mr Son Sann, prime minister of my government, begged Mr Hun Sen to be reasonable. He did so 10 times. I counted; he did so 10 times. It is strange. So he did so 10 times, and Mr Hun Sen said no, I will not change my position. That is my position, and you will not pressure me to change my proposal. This evening it is clear. I understood that everything was very clear. So, if everything is clear, there is no need to meet again tomorrow. No need to meet again. [end recording]

Sihanouk Announces Cambodia Talks To Resume

*LD2607091689 Paris Domestic Service in French
0900 GMT 26 Jul 89*

[Text] The inter-Cambodian roundtable talks will resume tomorrow: Prince Norodom Sihanouk, leader of the Cambodian resistance, announced this this morning during a news conference at Roissy. The roundtable talks were interrupted yesterday after 5 hours of discussions because of a total disagreement, notably between Hun Sen, the pro-Vietnam prime minister from Phnom Penh, and the pro-China faction of the Khmer Rouge represented by Khieu Samphan.

Focus Will Be on Talks Delegation

AU2607101489 Paris AFP in English 0857 GMT
26 Jul 89

[Text] Roissy-en-France, France, July 26 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk announced here Wednesday that round-table talks between Cambodia's warring factions broken off Tuesday would resume Thursday.

But the prince said the subject of discussion would be limited to "the question of seating Cambodia at the international conference," which is due to open in Paris on Sunday.

The resistance has proposed attending the international conference in a single delegation including representatives of the Vietnamese-backed government in Phnom Penh which is headed by Hun Sen.

But Mr. Hun Sen has insisted that Cambodia should be represented at the talks by two distinct delegations.

"Personally I think the conference should not take place unless this question is resolved," Prince Sihanouk told the press conference, adding: "We will declare the results of the conference invalid if Hun Sen is allowed to attend in a separate delegation."

The prince said the Cambodians had agreed to a further round of talks at the request of the French organizers, but he said "I am not optimistic."

"I know myself and other Cambodians—we are not reasonable," Prince Sihanouk added.

'Open Letter' Calls for Comprehensive Solution

BK2607085789 (Clandestine) Voice of Democratic
Kampuchea in Cambodian 2330 GMT 23 Jul 89

[15 July "Open Letter from the Cambodian People at Home to the Country Delegates Attending the Paris International Conference on Cambodia"]

[Text] We the Cambodian people at home have learned that the upcoming International Conference on Cambodia, in which the five permanent members of the UN Security Council will also participate, will take place in Paris to formulate a political solution to the Cambodian problem and restore peace and stability in Cambodia and the region.

We have suffered for almost 11 years because of the aggression committed by the Hanoi authorities and are delighted with the efforts being exerted by the international community to help settle the Cambodian problem. For this we are very thankful.

In order to achieve a just and definitive political solution to the Cambodian problem, thereby restoring peace and stability in Cambodia and the whole region, we would

like to inform the five, member countries of the UN Security Council and all the delegates attending the upcoming Paris international conference about the current situation in Cambodia:

1. As they were unable to forcibly conscript Cambodians as soldiers to fight and die in their place, for many years now the Hanoi authorities have ordered their file and rank and officers to learn the Cambodian language, customs, and traditions and, then organized them as a puppet force, mixed them with puppet troops, or disguised them as militiamen, and then stationed them in localities throughout the country. In each puppet armed unit, we have noted that at least 30-40 per cent of the troops are disguised Vietnamese soldiers. Some of them are able to speak Cambodian well, while some have only broken Cambodian. Those soldiers command and control the puppet army at all echelons from top to bottom. The Vietnamese troops, who have not yet been mixed into the puppet forces, have been ordered to wear puppet army uniforms and have hidden in remote areas away from main roads and townships to avoid being seen by the Cambodian people and foreigners.

2. The Hanoi gang has assigned its officers from the rank of sub-lieutenant up to major, who are able to speak Cambodian and understand Cambodian customs and traditions, to incorporate themselves among Cambodian people in various localities and marry Cambodian women. Those Vietnamese officers have been assigned, according to their capacities and positions, to supervise the puppet authorities from district up to provincial levels. They have both civilian and military powers at present and in the future in accordance with the Indochinese federation strategy.

3. Since 1987, we have seen that the Vietnamese forces have shipped huge quantity of armaments and ammunition to be hidden in the jungle. They have prohibited our people from entering or making their living in those areas.

4. Vietnamese citizens sent by the Vietnamese gang to resettle in Cambodia have been in growing number. Those people, at present numbering more than 1 million, live virtually throughout the country, especially along rivers and in fertile areas. They are not ordinary immigrants, but people who have systematically been organized into groups, units, and militia forces.

This is the present situation in Cambodia to which we would like the country delegates attending the Paris International Conference on Cambodia, particularly the five permanent members of the UN Security Council, to pay special attention.

We believe that Cambodia can only regain peace, stability, and total independence, and the Cambodian people can only decide their destiny themselves if an international conference on Cambodia ensures the withdrawal of all the Vietnamese aggressor forces—including regular troops, civilian forces, and disguised soldiers—and all

Vietnamese war equipment from Cambodia under the strict and efficient control and supervision of an international control mechanism.

Moreover, we maintain that only an international control mechanism of the United Nations would be effective because of its experience and the availability of sufficient facilities to carry out verification. If the Vietnamese withdrawal is conducted without the rigorous control of such a mechanism but is carried out under the supervision of a control commission selected by Vietnam itself, then peace and stability, which the world community and the Cambodian people are earnestly longing for, will never be restored and secured in Cambodia. Because Vietnam's disguised and hidden military and civilian forces in Cambodia will continue to massacre the Cambodian people and eliminate the Cambodian race

through its puppet regime, the struggle against the Vietnamese aggressors waged by the Cambodian people for total national independence, sovereignty, and right to self-determination will continue without end. This will deprive Cambodia of peace and stability, thus adversely affecting peace, and the stability, and prosperity of the whole region.

Therefore, we would like to appeal to all the country delegates participating in the upcoming Paris International Conference on Cambodia to press Vietnam into reaching a genuine comprehensive political solution to the Cambodian problem by withdrawing all its troops and aggressor forces as well as its arms, ammunition, and war equipment from Cambodia under the strict and effective control and supervision of a UN international control mechanism.

[Dated] Democratic Kampuchea, 15 July 1989.

Japan

Fisheries Minister Meets Soviet Counterpart

OW2507122789 Tokyo KYODO in English 1132 GMT
25 Jul 89

[Text] Tokyo, July 25 KYODO—The Japanese and Soviet fishery chiefs remained wide apart in their views on offshore salmon fishing during talks in Tokyo on Tuesday, official sources said.

The sources said Soviet Fisheries Minister Nikolay Z. Kotlyar renewed his call for a wholesale ban beginning in 1992 on salmon fishing outside the Soviet 200-mile economic zone.

Japanese Agriculture, Forestry and Fisheries Minister Hisao Horinouchi urged the Soviets to withdraw the proposal, saying that such a ban would have a devastating effect on Japan's traditional fishing in northern waters, the sources said.

It was agreed, however, that Russo-Japanese fishery joint ventures now under way should be promoted in ways beneficial to both sides, they said.

The informants also said that ministers agreed to cooperate at international agencies such as the International Whaling Commission (IWC).

Spokesman on Attending East Europe Aid Conference

OW2107140489 Tokyo KYODO in English 1306 GMT
21 Jul 89

[Text] Tokyo, July 21 KYODO—Japan will participate in an EC-sponsored conference on economic assistance to Eastern Europe to be held in Brussels on August 1, a Japanese Foreign Ministry spokesman said Friday.

Deputy Spokesman Koichi Haraguchi said that Japan has accepted an invitation sent Thursday by the European Community Commission, which offered during the recently concluded Paris economic summit to play a coordinating role.

Invitations were also sent to 22 other countries, including the seven summit nations, the members of the EC and the European Free Trade Association (EFTA), and Australia and New Zealand, Haraguchi said.

The Brussels conference will be divided into separate sessions dealing with the two issues of emergency food assistance to Poland and economic assistance to Poland and Hungary, the official said.

He characterized the latter as a "brainstorming" session, which will hear each country's views on how best to support the reform programs underway in Poland and Hungary, and is not intended as a "pledging session" similar to that recently held in Tokyo on a massive aid plan for the Philippines.

"But of course, that is not to preclude certain countries from making concrete pledges of assistance," he said.

Haraguchi said the meeting will also serve as a forum for preparing the program for the second such conference, scheduled for next autumn.

Japan will be represented at the Brussels meeting at the bureau-chief level, the spokesman said.

Haraguchi also noted that Prime Minister Sosuke Uno, in a meeting with EC ambassadors on Friday, announced that he will dispatch his chief foreign policy adviser Kimio Fujita to five East European countries in mid-August.

Ministry on Banks' Debt-Equity Plan With Mexico

OW2107183089 Tokyo KYODO in English 1536 GMT
21 Jul 89

[Text] Tokyo, July 21 KYODO—A syndicate of 15 creditor banks from Japan, the United States and Europe have reached an agreement with the Mexican Government on selling off over 100 billion dollars in Mexico's foreign debt to investors at discounted prices, Finance Ministry officials said Friday.

This agreement follows an accord reached between the banks and Mexico earlier this month providing for 54.5 billion dollars or 35 percent of Mexico's foreign debt to be forgiven.

The new agreement applies to the remaining 101 billion dollars in foreign debt.

Under a debt-for-equity swap, the Mexican Government is to issue government bonds to foreign banks equal in face value to the amount of their outstanding loans to Mexico, the officials said.

The banks would then sell the bonds on the international market at market set rates, they said.

In Japan, the banks would be able to recoup by writing off against taxes a portion of whatever loss they sustain through the deal.

Ready To Provide Bridge Loans

OW2407140789 Tokyo KYODO in English 1222 GMT
24 Jul 89

[Text] Tokyo, July 24 KYODO—A senior Finance Ministry official said Monday Japan is ready to provide Mexico with "bridge loans" in the form of a credit line to help put the just-announced agreement between Mexico and its creditor banks into effect.

"Providing such a credit line will be possible if requested through international organizations such as the International Monetary Fund and Bank for International Settlements," said the official, who spoke on condition of anonymity.

The official made the remarks in reference to the accord reached Sunday between the Mexican Government and the foreign creditor banks on a reduction of Mexico's 54 billion dollar foreign bank debt, or about half the 107 billion dollars the nation owes to foreign creditors.

The agreement, the first of its kind on Third World debt under U.S. Treasury Secretary Nicholas Brady's plan, gives banks three options—reducing principal by 35 percent in a debt-for-equity swap deal, cutting interest to 6.25 percent or making fresh loans.

The debt relief package reportedly could slash by up to one-third the 4.5 billion dollars Mexico is paying each year to service the debt it owed to commercial banks.

The official also suggested that the ministry is considering administrative guidelines designed to provide tax relief for Japanese creditor banks under current law, which allows banks to write off losses on their bond holdings.

The law enables Japanese banks to write off losses from debt-for-bond conversion if they opt for a reduction in the interest rate in such swap deals.

But there is no common guidelines with regard to foreign bonds. Under the agreement, Mexico's foreign bank debt will be converted into dollar-denominated bonds.

Opposition Agrees To Abolish Consumption Tax

*OW2607001289 Tokyo NHK General Television
Network in Japanese 1000 GMT 25 Jul 89*

[Text] The secretaries general of four opposition parties—the Japan Socialist Party [JSP], Komeito, Democratic Socialist Party [DSP] and Social Democratic Federation—met today in the Diet. They confirmed their plan to jointly introduce to the extraordinary Diet session, following the House of Councillors' election, a bill calling for the abrogation of the consumption tax. They also reached a consensus of opinion on starting consultations on financial resources pursuant to the abrogation of the tax.

The meeting was attended by the secretaries general and policy board chairmen of the four opposition parties and Kozaburo Yamada, incumbent member of the House of Councillors, from Rengo no Kai [Association of the Private Sector Trade Union Confederation] which won 11 seats in the latest upper house elections. They unanimously agreed not to permit the Liberal Democratic Party's monopoly of power within its own clique and to press for an early dissolution of the House of Representatives and general elections.

On the bill for the abrogation of the consumption tax, they confirmed that they would jointly introduce it to the next extraordinary Diet session. Since there are differences of view among the four parties on the financial resources pursuant to the abrogation of the consumption

tax, they agreed to hold consultation among their policy board chairmen and work out details, so that they can make a proposal in time for the introduction of a bill for repeal of the consumption tax.

The secretaries general also agreed to resume talks on coalition government among the four opposition parties. However, Komeito and the DSP pressed the JSP anew to change its basic policies on the Security Treaty and the Self-Defense Forces to realistic ones. In reply, JSP Secretary General Yamaguchi said that, consequent upon the result of the upper house elections, his party will try to draw a conclusion through its project team at the earliest possible date.

Regarding financial resources pursuant to the abrogation of the consumption tax, the JSP cites a reform of the land tax system and the revival of a commodity tax, in addition to a review of the inequitable tax system.

Komeito claims that the JSP proposal does not reflect the reduction of expenditures consequent upon administrative reforms. The DSP also holds the view that a drastic review of the taxation system—both direct and indirect taxes—is necessary.

Hence, difficulties are expected in ironing out the differences between the four opposition parties.

LDP, Opposition Disagree Over Diet Session

LDP Wants To Convene Diet

*OW2607074589 Tokyo KYODO in English 0500 GMT
26 Jul 89*

[Text] Tokyo, July 26 KYODO—The Liberal Democratic Party (LDP) decided Wednesday to convene a five-day extraordinary session of the Diet on August 7 to choose Prime Minister Sosuke Uno's successor, LDP officials said.

The ruling party made the decision at a meeting of LDP lawmakers belonging to the House of Representatives' Diet Steering Committee.

An extraordinary Diet session is to be convened within 30 days after a national election.

Uno, who took office on June 2 succeeding Noboru Takeshita, said Monday he would step down to take responsibility for the major defeat his party suffered in Sunday's House of Councillors election.

The LDP soon will set up an intraparty election management committee to select Uno's successor.

Among Uno's probable successors are former State Minister Toshio Komoto, former Deputy Prime Minister Shin Kanemaru, former LDP Executive Council Chairman Masayoshi Ito, former Prime Minister Takeo Fukuda, and LDP Secretary General Ryutaro Hashimoto.

The officials said the five-day Diet session also will pick the president and vice president of the upper chamber as well as the chairmen of its committees and their members.

In the upper chamber election, the LDP lost a simple majority at the hands of the major opposition Japan Socialist Party.

The LDP officials said a full extraordinary Diet session will be convened in the fall to study bills to be presented by opposition parties to kill the unpopular 3 percent consumption tax, which became effective on April 1.

The tax has been blamed for the LDP's defeat, along with the Recruit stock-for-favors scandal involving a number of LDP leaders, the farm import decontrol policy and Uno's alleged affair with a geisha.

The LDP decision to convene the five-day diet session will be presented to a full meeting of the lower house Diet Steering Committee later Wednesday.

Opposition Rejects LDP's Proposal

OW2607123089 Tokyo KYODO in English 0806 GMT
26 Jul 89

[Text] Tokyo, July 26 KYODO—Opposition parties Wednesday rejected a ruling Liberal Democratic Party (LDP) proposal to convene an extraordinary session of the Diet before mid-August, LDP officials said.

The opposition camp rejected the LDP proposal at a meeting of the Diet Steering Committee of the House of Representatives.

LDP members of the committee earlier met and decided to convene a five-day extraordinary Diet session on August 7 and its full session in the fall.

The LDP officials quoted the opposition parties as counter-proposing a long-term extraordinary Diet session to be convened just before August 21.

The Diet law requires the Cabinet to convene an extraordinary Diet session within 30 days after a national election and the deadline this time is August 21.

The Diet Steering Committee will meet again on Friday to further discuss the matter, the officials added.

Mongolia

Ochirbat Looks Into New Investments in U.S., UK
OW2507030289 Ulaanbaatar International Service
in English 0810 GMT 19 Jul 89

[Text] Minister of Foreign Economic Ties and Supply of Mongolia Mr Ochirbat has been to Great Britain and the United States. Here is an abbreviated text of his interview with the Mongolian national daily correspondent.

The first question of the correspondent to the minister was about the major aim of his British and American visits.

[Begin Ochirbat recording in Mongolian fading into English translation] The main aim of the British visit was to exchange views on the bilateral trade and economic ties. In the United States Mr Ochirbat took part in the discussions of the plans of the United Nations Development Program for the nineties, expounded the policy and direction of this country on raising the efficiency of this organization's aid, and find new sources of investment in solving some of the present tasks of the country. He also was to meet some of the American officials and company owners concerning the development of trade and founding joint industries.

Dwelling on the specifics of trade and economic relations with these countries, the minister said that Mongolia strives to develop mutually beneficial cooperation with the West, with a view to introducing into this country a high technology and small- and medium-industry and technology of the West, and to producing the high-quality production, using the mineral resources and animal husbandry raw materials capable of conquering [as heard] at world markets.

Mongolia trades with about 30 firms of Great Britain and the United States, selling them sheep, camel, and cashmere wool and buys from them various machinery, spare parts, chemical materials.

Now the Mongolian and British sides have agreed on setting up and operating a joint enterprise for producing wind-powered compact and mobile electric stations, conduct experimental prospecting for oil on the Mongolian territory with the means and forces of the British firms. Mongolia will also get some types of mining technology from Britain. The two countries will also cooperate in producing easily transportable plastic bottles for the Mongolian ash vodka and jointly exporting it.

The minister also talked to the British side the question of producing jointly the Mongolian national games, the valuable spiritual wealth of the Mongolians and sell them at the Western market. [sentence as heard]

The parties also achieved agreements on the reequipping of the Mongolian printing industry and setting up a joint paper industry. There were talks on cooperating in

developing tourism and training some Mongolian personnel in Great Britain. The minister signed during his visit to Britain a chain contract envisaging four times increase in the Mongolian-British trade.

With the United States, the minister has discussed the principles of creating with some American firms a joint enterprise on processing camel wool and yak hair and producing from them the fabrics for men and ladies overcoats, blankets, couches, etc.

Finally, the minister said his impression of the two countries he had visited... [incomplete sentence as heard] He was highly impressed by high culture of people's communication, the way the children are brought up, and the making of life in Great Britain. He highly spoke of the way how the Britons protect the environment, their ancient culture and traditions.

In New York, the minister's interest was caught by the peculiarity of the city and the simplicity of people's dressing.

General Secretary Batmonh Arrives in Moscow
LD2507084389 Moscow TASS in English 0826 GMT 25 Jul 89

[Text] Moscow July 25 TASS—Jambyn Batmonh, general secretary of the Central Committee of the Mongolian People's Revolutionary Party, president of the Presidium of the People's Great Hural, arrived in Moscow for a working visit today at the invitation of the Soviet Communist Party Central Committee.

He was met at the airport by Viktor Nikonov, secretary of the Soviet Communist Party Central Committee, and other officials.

North Korea

South's Position on Separate UN Entry Denounced

'Incompatible' With Reunification
SK2607051589 Pyongyang KCNA in English 0458 GMT 26 Jul 89

[Text] Pyongyang July 26 (KCNA)—The South Korean puppet foreign minister said during his recent tour of the United States that even South Korea alone should be admitted to the United Nations and has qualification and preparations to do so.

Commenting on this splittist outcries, the news analyst of NODONG SINMUN today says:

"Separate entry into the U.N." on the lips of the puppets is a replica and extension of the worn-out "proposal for simultaneous entry into the U.N." of the North and the South of Korea. It runs counter to the July 4 joint statement the keynote of which is the three principles of

independence, peaceful reunification and great national unity; it is incompatible with the desire of the Korean people for reunification. It is no more than a heinous plot to perpetuate the split of the nation.

It is all stuff and nonsense and a mockery of the U.N. for the puppet regime of a colony being maintained with the arms backing of U.S. imperialism to talk about "qualification" for "entry into the U.N."

The puppet foreign minister preposterously cried that "entry into the U.N." of the North and the South of Korea would "help" towards "North-South reconciliation."

Separate entry into the U.N. would result in freezing the division of Korea and legalizing the existence of "two Koreas" internationally.

The DPRK, a dignified socialist country of independence, self-sustenance and self-reliance in national defence, has full-fledged qualification to take its seat in the U.N. but we, responsible for the reunification of the divided country, approach the question of admission to the U.N. with much care from the viewpoint of national reunification. This is why we have consistently maintained the principled stand of entering the U.N. with a single name of the country after achieving reunification even through confederation.

By crying for "separate entry into the U.N." and "simultaneous entry into the U.N.," a variety of a proposal for a permanent division, the No Tae-u group revealed his dirty nature as a splittist and enemy of reunification to the world.

It is clear to everyone that the puppets' campaign for "entry into the U.N." timing to coincide with the vicious anti-communist fascist offensive against the South Korean people who demand reunification with communism and with the North, has started according to the aggressive intrigues of U.S. imperialism to perpetuate the division of Korea and keep hold on South Korea indefinitely as a colony and military base.

Hanminjon Said To Denounce Position
SK2607104489 Pyongyang KCNA in English 1002 GMT 26 Jul 89

[Text] Pyongyang July 26 (KCNA)—According to radio "Voice of National Salvation", a spokesman for the "South Korean National Democratic Front" (Hanminjon) issued a statement on July 23 in connection with the fact that after his trip to the United States the South Korean puppet foreign minister prattled that if the "simultaneous entry of the North and the South into the United Nations" is impossible, South Korea will "separately join it."

The statement says:

The proposal for "separate membership of the United Nations" brought forward by the No Tae-u group of traitors is not a new one. This is a variety of the proposal for "simultaneous entry of the North and the South of Korea into the United Nations" advertised by the successive treacherous "regimes" and a proposal designed to keep the Korean peninsula and our nation divided into two forever.

Through this "proposal" the No Tae-u "regime" reaffirmed itself that the "July 7 Declaration" was a divisive script which deceived our nation and flouted the conscience of the world.

In the "July 7 Declaration" the No Tae-u "regime" loudly talked about national community and North-South interchange and cooperation. In fact, however, it was nothing but a smokescreen for covering up its plots to create "two Koreas" through the "northern policy".

The No "regime" must immediately withdraw the "proposal for separate entry into the United Nations", a variant of the "proposal for simultaneous entry into the United Nations" rejected by our people and the world's people.

Our 70 million fellow countrymen have the July 4 North-South joint statement clarifying the principle for the reunification—*independence, peaceful reunification and great national unity*. The joint statement is the immutable, great principle and the only great charter in preventing the permanent division of the country and the nation and enabling the entire fellow countrymen to live happily together in the reunified land. This is why the 30th U.N. General Assembly session declared this statement the North and the South solemnly agreed upon for the sake of the nation as the only principle for the reunification of the Korean peninsula and adopted a resolution calling for the withdrawal of the U.S. forces from South Korea in the name of the General Assembly.

"Hanminjon" urges once again the No "regime" to promptly stop its criminal acts in persistently following the line of division and approach with a sincere attitude to the North-South dialogue to achieve reunification with our own nation's efforts, not depending on the help of the United Nations.

Pointing out that the puppet foreign minister's clamouring about "separate entry into the United Nations" is coessential with the Bush government's separatist Korea policy, the statement says:

The United States must fundamentally change its Korea policy, lending an ear to the people's ardent shouts and the world conscience's voices for peace on the Korean peninsula and its reunification.

"Hanminjon", therefore, strongly urges the United States to replace the armistice agreement with a peace agreement and withdraw its forces from South Korea. More Demands That U.S. Forces Withdraw from South

Weapons, 'Mines' Demanded Withdrawn

SK2507153089 *Pyongyang KCNA in English*
1512 GMT 25 Jul 89

[Text] *Pyongyang July 25 (KCNA)*—A spokesman for the "South Korean National Democratic Front" (Hanminjon) on July 21 made public a statement demanding the withdrawal of the U.S. imperialist aggression forces and nuclear weapons from South Korea, according to radio "Voice of National Salvation".

Recalling that the No Tae-u group of traitors is earnestly begging of the U.S. imperialists not to withdraw nuclear weapons, the statement says:

The United States and the No Tae-u group blocked the "Peace and Reunification Study Tour of Korea" at the initial stage and rejected the withdrawal of nuclear weapons from South Korea. "Hanminjon" brands their act as anti-peaceful, treacherous crime and strongly demands the withdrawal of U.S. nuclear weapons from South Korea.

Unfortunately, South Korea has turned today into a "first line nuclear base" for the execution of the U.S. global strategy.

The United States had already planned twice during the June 25 war to use atomic bombs in Korea since the ceasefire it has shipped into this land more than 1,000 nuclear weapons with enormous explosive power such as nuclear bombs, nuclear shells, nuclear missiles and nuclear mines and introduced there even neutron bombs denounced as the "devil's weapon of the 20th century" without anyone's permission and in secret. [sentence as received]

The deployment of nuclear mines is banned in the United States or Europe as their destructive aftereffect is too great. But more than 500 nuclear mines have been deployed in South Korea only to threaten our lives.

South Korea is only place in Asia where such U.S. nuclear weapons are deployed in forward area. It is known that U.S. nuclear weapons are based in 19 areas of South Korea including Kunsan, Osan, Kwangju, Taegu, Uijongbu and Tongduchon. The number of nuclear weapons in South Korea is far more than that in West Germany and its density is four times that of NATO.

The South has long been turned into a largest nuclear base in the Far East where more than a half of the U.S. nuclear weapons deployed in Asia are amassed, a nuclear

forward base where one nuclear weapon for each 100 square kilometres has been deployed, the greatest density of nuclear weapon deployment in the world.

The nuclear weapons deployed in South Korea are not for "defence" but for attack and actual war to make a pre-emptive attack upon the northern half of Korea, the first target of attack in the U.S. global strategy, the statement says, and goes on:

U.S. President Bush is following Reagan's Northeast Asia nuclear strategy and, accordingly, the South remains a region of nuclear war where the U.S. nuclear weapons will be used before the opposing country.

It is a common knowledge that the right to use nuclear weapons in the South rests with the commander of the U.S. forces in the South. Bellicose elements at the White House do not bother to conceal this.

Actually, the United States stages every year "Team Spirit" joint military exercises, large nuclear war rehearsals targetted against the North, with the participation of aircraft carrier "Midway" equipped with nuclear weapons, the 25th Infantry Division of the U.S. Army, a nuclear special unit, nuclear bomber "B-52," nuclear war commanding plane "E-4b" and other nuclear war forces and equipment.

Noting that if a nuclear war breaks out, the Korean people will sustain a disastrous holocaust, the statement says:

As long as U.S. nuclear weapons remain in this land, peace on the Korean peninsula and its reunification cannot be expected.

We cannot but condemn once again the No Tae-u "government" for upholding the U.S. nuclear strategy on the Korean peninsula.

The U.S. nuclear weapons deployed in the South must immediately be taken out for the existence of our nation and its peaceful reunification and for world peace.

The U.S. nuclear weapons are no longer necessary in the South.

Hanminjon appeals to the whole nation to rise in the nation-wide struggle to have the U.S. nuclear weapons withdrawn and achieve peace and reunification.

'Provocation Moves' Further Decried

SK2607105689 Pyongyang KCNA in English
1018 GMT 26 Jul 89

[Text] Pyongyang July 26 (KCNA)—It is a primary question in preserving peace on the Korean peninsula and guaranteeing peace in Asia and the rest of the world to remove nuclear weapons and dispel the danger of a nuclear war from South Korea.

So says NODONG SINMUN in a signed article entitled "U.S. Imperialist Nuclear War Moves Threatening Peace on the Korean Peninsula and the Rest of the World."

Recalling that the Workers' Party of Korea and the government of the Republic consider it as a fundamental requirement for peace in Korea, Asia and the rest of the world to turn the Korean peninsula into a nuclear-free, peace zone and have been making positive efforts to put it into practice, the paper says:

If the Korean peninsula is to be turned into a nuclear-free, peace zone, it is imperative, first of all, to clear South Korea of the U.S. imperialist aggression forces and nuclear weapons. Only then is it possible to remove the hotbed of a nuclear war and dispel the danger of a nuclear war from the Korean peninsula.

The DPRK Government put forward many reasonable proposals for the withdrawal of nuclear weapons of the U.S. imperialists from South Korea and for the prevention of a nuclear war and has made every possible sincere effort for their realisation.

Referring to the fact that the DPRK Government took the initiative of establishing a nuclear-free, peace zone in Asia in April 1959, joined the signatories to the Nuclear Non-Proliferation Treaty in December 1985, advanced a new proposal for converting the Korean peninsula into a nuclear-free, peace zone in June, 1986 after which it brought forward a proposal for a large-scale phased arms reduction on the Korean peninsula and unilaterally reduced the numerical strength of People's Army by more than 100,000 men, the paper says:

Proceeding from their aggressive Asia-Pacific strategy, however, the U.S. imperialists not only turned down all our proposals for peace and denuclearisation of the Korean peninsula but also systematically reinforced nuclear forces and built and expanded nuclear attack bases and nuclear storage facilities in South Korea with a view to attacking our republic and other socialist countries.

Along with this, they have ceaselessly committed nuclear war moves in and around South Korea.

In recent years the "Team Spirit" joint military exercises were staged even with the mobilisation of the nuclear aircraft carriers, nuclear strategic bombers, nuclear missiles and nuclear war commanding plane "E 4b".

The U.S. imperialists established a commanding system whereby to use nuclear weapons in South Korea at any time. The right to use nuclear weapons rests with the commander of the U.S. forces in South Korea, unlike NATO.

South Korea has been turned into the largest comprehensive offensive nuclear base in Asia full of nuclear bombs, nuclear warheads, means of nuclear delivery, nuclear establishments and nuclear storages.

This is a root cause of threatening peace not only in Korea but also in Asia and the rest of the world.

With nothing can the United States justify its jargon that its armed forces should remain and be reinforced in South Korea only, the paper says, adding:

The U.S. imperialists should lend an ear to the voices of the anti-war, anti-nuke and peace which are daily becoming louder from among people at home and abroad, refrain from resorting to nuclear war provocation moves and withdraw all their nuclear weapons and aggression forces from South Korea without delay.

More on Peace, Reunification Study Tour of Korea

U.S. Communist Paper Covers Tour

SK2207112989 *Pyongyang KCNA in English*
1053 GMT 22 Jul 89

[Text] Pyongyang July 22 (KCNA)—The U.S. paper WORKERS WORLD July 6 published an article on the international peace and reunification study tour of Korea.

The international study tour which is to be held from July 20 to 27, is a grand march which will be participated in by not only Koreans but also anti-war, anti-nuke peace champions of the world, the paper said.

Referring to the organization of the International Preparatory Committee for the study tour, it noted that activities for solidarity with the Korean people would be briskly organized in the United States, too, in keeping with the international peace and reunification study tour of Korea.

The paper said that in Washington, a petition signed by 100,000 people would be submitted to U.S. Congress, in demand of the withdrawal of U.S. forces and nuclear weapons from South Korea.

It reported that in Korea a study tour would be started at the same time on Mts. Paektu and Halla, with the participation of world anti-war, anti-nuke peace champions, and a rally be held at Panmunjom on the 27th of July. The rally will demonstrate the firm will of the Korean people and the world peaceloving forces for Korea's reunification, the paper said. It stressed that nobody has ever seen so high intensification of international campaign of solidarity with the Korean people as today.

It said that the U.S. forces in South Korea is a main obstacle to Korea's reunification.

The role of the U.S. progressive activists is very important in expressing international solidarity with the South Korean people in the struggle for the national reunification today, it emphasized.

Tour Group Visits Cooperative Farm

SK2407110289 *Pyongyang KCNA in English*
1020 GMT 24 Jul 89

[Text] Pyongyang July 24 (KCNA)—The participants in the international peace and reunification study tour of Korea visited the Chongsan cooperative farm which is situated not far from the western part of Pyongyang this morning.

When delegates of different countries and overseas Koreans who are participating in the march with warm support and solidarity for the just cause of the Korean people arrived at the farm, the farmers there warmly welcomed them.

Ushered by the chairman of the management board of the farm, the members of the march group went round a democratic propaganda hall in which the great leader Comrade Kim Il-song guided the historical general membership meeting of the Chongsan-ri party organization in February 1960, the Chongsan-ri revolutionary museum, nursery, kindergarten and dwelling houses, etc.

WFTU Sends Solidarity Message

SK2507154089 *Pyongyang KCNA in English*
1532 GMT 25 Jul 89

[Text] Pyongyang July 25 (KCNA)—A message of solidarity for the international peace and reunification study tour of Korea came from the World Federation of Trade Unions [WFTU] to the General Federation of Trade Unions of Korea upon its start from Mt. Paektu.

The message says:

The World Federation of Trade Unions warmly hails and expresses full solidarity with the international peace and reunification study tour of Korea which started from Mt. Paektu in the northern half of Korea with the participation of delegates of many countries around the world.

The WFTU demands that the peace march not end at the Military Demarcation Line, but continue into South Korea so that working people there may join in it.

Marchers Hold Rally in Sinchon

SK2507155289 *Pyongyang KCNA in English*
1539 GMT 25 Jul 89

[Text] Pyongyang July 25 (KCNA)—The participants in the international peace and reunification study tour of Korea visited the Sinchon museum on July 25.

When the marchers arrived in Sinchon, large crowds of people who turned out on the road warmly welcomed them, shouting the slogans "Reunification of the country" and "Korea is one."

Seeing round the Sinchon museum, the grave of 400 mothers and the grave of 102 children, the marchers sharply denounced the U.S. imperialist aggressors, expressing bitter hatred and indignation at their barbarities in brutally murdering innocent Korean people during the Korean War.

Then they held a meeting in front of the graves of 400 mothers and 102 children in the Pamnamu Valley.

Before the meeting they observed a moment's silent tribute to the mothers and children killed in cold blood by the U.S. imperialist aggressors.

The songs "Korea is one" and "Our wish is reunification" rang out loudly from the meeting and the shouts "Tear to pieces the U.S. imperialists, the murderers!" "U.S. imperialists, get out of South Korea at once!" and "Korea is one" burst forth uninterruptedly.

The first speaker at the meeting was Yim Su-kyong, the delegate of the South Korean "National Council of Student Representatives" (Chondaehyop).

She said she could hardly repress bitterness, grievance and resentment in Sinchon.

At this place I feel keenly that we must not stop our powerful march till the day when we will force the U.S. troops not needed to our nation to withdraw to the last man and get the nuclear weapons threatening the existence of our nation taken away, till the day of independent and peaceful reunification.

Declaring that the United States has never been our savior, she said that, back in South Korea, she would tell about this place of murder in clear terms to the people to stir up a furious anti-war, anti-nuclear and anti-U.S. storm.

I believe that the personages from various countries will tell their peoples about the tragedies of our nation and about the true color of the U.S. imperialists, she said.

Damu Smith, senior member of the joint delegation to the peace and reunification study tour of Korea, said through the inspection there he learned of the shocking atrocities committed by American soldiers against the Korean people during the Korean War. Back home, we will tell our people about the true history of the Korean War and the just struggle of the Korean people for the reunification of the country, he said.

Brian Becker, Washington delegate of the U.S. Out of Korea Committee, said American soldiers committed here in Sinchon brutalities outdistancing the Hitler Nazis. We must not forget all these atrocities we have just seen, he stressed.

Becky Williams, coordinator of the Washington Peace Center of the United States, said emphatically that the U.S. forces and the nuclear weapons must be withdrawn from South Korea for world peace and the reunification of Korea. Stormin Tulley [name as received], heir to the emir of a tribe of American Indians [as received], said that the brutalities committed by the United States on the soil of Korea make the American people love peace more dearly. The Korean people is one and the U.S. forces must pull out of South Korea, he stressed.

Rainer Werning, delegate of the West Germany-Korea Solidarity Committee, and Father Bill O'Donnell of the U.S. church of Roman Catholic labor movement, said they got a clear knowledge of the atrocities committed by the U.S. troops against the Korean people in Sinchon during the past war and shouted "Long live reunified Korea!"

The meeting closed with choruses of "Korea is one" and "Our wish is reunification."

Peace Marchers Arrive in Kaesong

SK2507153289 *Pyongyang KCNA in English*
1524 GMT 25 Jul 89

[Text] Kaesong July 25 (KCNA)—The participants in the international peace and reunification study tour of Korea who started from Mt. Paektu on July 21 arrived in Kaesong, the city adjacent to the Military Demarcation Line, this evening.

A large crowd of working people, youth and students in the city turned out to warmly welcome the peace marchers including anti-war, anti-nuke, peace champions from some 30 countries, Koreans overseas and Yim Su-kyong, the delegate of the South Korean "National Council of Student Representatives" (Chondaehyop) along the route, throwing five-colored paper tapes and confetti and shouting "Welcome to the march" and "National reunification."

Marchers Meet Enthusiastic Welcome

SK2607051989 *Pyongyang KCNA in English*
0505 GMT 26 Jul 89

[Text] Pyongyang July 26 (KCNA)—The international peace marchers who left Mt. Paektu on July 21 arrived in Kaesong, a city adjacent to the Demarcation Line, Tuesday afternoon.

A large number of working people, youths and students in the city came out to the street to greet anti-war, anti-nuke peace champions from some 30 countries on

the five continents, Koreans overseas and delegate of "Chondaehyop" [National Council of University Student Representatives] Yim Su-kyong.

When the marchers arrived, the crowds enthusiastically welcomed them, showering multi-coloured paper streamers and confetti on them and shouting "Welcome to grand march," "National reunification" and "Peace, reunification".

Then, a meeting was held in their welcome.

Kim Ki-son, chairman of the Kaesong Municipal People's Committee, made a welcoming speech at the meeting.

He said the current international peace march has dealt a heavy blow at the "two Koreas" plot of the separatists at home and abroad, greatly inspired the Korean people in their struggle for peace in the country and its reunification and fully demonstrated the might of the peaceloving forces of the world.

Noting that the march was motivated by the noble desire to dispel the dark clouds of a nuclear war hanging over the Korean peninsula, preserve a durable peace, terminate the division of the country and promote its reunification by the concerted efforts and struggle of the world's people, he stressed:

The current march is an expression of full support and firm solidarity of the world's peaceloving people for the Korean people in their just cause of the independent and peaceful reunification of the country.

In his reply a scholar Walden Bellou [name as received], the delegate of the Philippines, expressed warm support and solidarity for the Korean people in their struggle to clear South Korea of U.S. forces and nuclear weapons and reunify the country.

He strongly demanded the withdrawal of U.S. forces from South Korea.

He stressed that the marchers will never let the U.S. imperialists and the South Korean clique do as they please against Yim Su-kyong.

In his reply U.S. pastor Ronald Parker vowed to struggle to the end for the withdrawal of the U.S. forces and nuclear weapons from South Korea. Ludo Paula Keersmaekers [name as received], member of the anti-imperialist union of Belgium, said that the question of Korean reunification is directly linked with the withdrawal of U.S. forces and nuclear weapons from South Korea and that they would widely propagandize to the world the Korean people's struggle for the reunification.

Speaking next, Yim Su-kyong said: This land from Mt. Paektu to Mt. Halla is one country. The international peace march should be continued to Mt. Halla, not to Panmunjom, at any cost.

Saying that the Korean nation should not be divided into two, she emphasized that the entire fellow countrymen in the North and the South should be able to freely travel from the northernmost tip to the southernmost tip of the country.

I would like to shout "Let us achieve national reunification by the concerted efforts of the 70 million people". Our victory is certain and no force can block the road ahead of us, she stressed.

During the meeting, shouts "Choguk tongil" (national reunification) rang out from among the crowds.

Organizations Demand Yim Su-kyong's Safe Crossing
SK2507154889 Pyongyang KCNA in English
1534 GMT 25 Jul 89

[Text] Pyongyang July 25 (KCNA)—The "National Alliance of the Movement for the Nation and Democracy," (Chonminnyon), the "National Council of Student Representatives" (Chondaehyop) and the "National Council of Representatives of Youth Organisations" (Chonchonghyop) today demanded that the fascist clique guarantee the safe return of Yim Su-kyong, delegate of "Chondaehyop," through Panmunjom, according to a report.

"Chonminnyon" in its statement released at a press conference asserted that the return of Yim Su-kyong through Panmunjom symbolic of the division of the nation means pulling down the barrier of the division and so her safe return must be guaranteed.

It said that the motive of Yim Su-kyong's visit to Pyongyang and its significance and the successes of her activities in the northern half of Korea must not be distorted under the cloak of "legal action" and urged the puppet government to give up the one-sided policy of suppression of the reunification efforts of students and come out to an open dialogue with them on reunification.

Meanwhile, "Chondaehyop", "Chonchonghyop" and one other organisation called a joint press conference at Songgyungwan University and denounced the anti-reunification act of the fascist clique in blocking the international peace march projected in South Korea for the relaxation of tensions between the North and the South.

These organisations demanded that the fascist clique guarantee the safe return of Yim Su-kyong through Panmunjom and make public her activities in the northern half of Korea.

Egyptian Republic's National Holiday Celebrated

Kim Il-song Greet's Egypt's Mubarak

*SK2207121289 Pyongyang KCNA in English
1119 GMT 22 Jul 89*

[Text] Pyongyang July 22 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings today to Muhammad Husni Mubarak, president of the Arab Republic of Egypt, on the occasion of the 37th anniversary of the July 23 revolution, the national holiday of the Egyptian people.

The message says the Egyptian people have made many changes on the road of building a new life since the victory of the revolution.

Today the Egyptian people have made great successes in the endeavour to consolidate the stability of the country and build an independent and fair society under your correct guidance, it notes.

Expressing the belief that the excellent relations of friendship and cooperation forged between the two countries will grow stronger and develop in the future, it heartily wishes the Egyptian president and people greater success in the work for the prosperity of the country.

Egyptian Ambassador Hosts Party

*SK2307002789 Pyongyang KCNA in English
2315 GMT 22 Jul 89*

[Text] Pyongyang July 22 (KCNA)—Ambassador of the Arab Republic of Egypt to Korea Bahjat Ibrahim Disuqi, gave a party today at Ongnyu Restaurant on the occasion of the 37th anniversary of the July 23 revolution of the Egyptian people.

Present on invitation were Vice-Premier Kang Hui-won and officials concerned as well as foreign diplomatic envoys here.

The party was addressed by Ambassador Bahjat Ibrahim Disuqi and Chairman of the Education Commission and Chairman of the Korea-Egypt Friendship Association Choe Ki-yong.

Anniversary of 'Revolution' Noted

*SK2307082589 Pyongyang KCNA in English
0803 GMT 23 Jul 89*

[Text] Pyongyang July 23 (KCNA)—Papers here today observe the 37th anniversary of the victory of the revolution of the Egyptian people.

Noting that since the victorious revolution the Egyptian people have made vigorous strivings to build a free and prosperous new society and registered great successes, NODONG SINMUN in a signed article says:

The Government of Egypt pursues the non-aligned policy and endeavours for a fair solution of the mid-east problem.

The Korean people rejoice at the achievements made by the friendly Egyptian people in the building of a new life and express support and solidarity for their just cause.

Though Korea and Egypt are far away from each other geographically, the two peoples have long been linked by the bonds of friendship. In particular, the historic meeting between the great leader Comrade Kim Il-song and respected President Muhammad Husni Mubarak marked an important occasion in developing the relations of friendship and cooperation between the two peoples. Today these relations are developing in various fields with each passing day.

The Korean people set store by the friendship with the Egyptian people and are making efforts to further expand and develop the friendly and cooperative relations between the two countries.

The author of a MINJU CHOSON article says that the Korean people sincerely wish the Egyptian people greater success in their endeavours to build a new society, independent and prosperous.

Egyptian Photos, Films Exhibited

*SK2407160789 Pyongyang KCNA in English
1602 GMT 24 Jul 89*

[Text] Pyongyang July 24 (KCNA)—A photo exhibition opened and a film show took place here today under the cosponsorship of the Committee for Cultural Relations with Foreign Countries and the Korea-Egypt Friendship Association on the occasion of the 37th anniversary of the July 23 revolution of the Egyptian people.

Present there were Chon Yon-ok, vice-chairman of the Committee for Cultural Relations with Foreign Countries, and other personages concerned as well as working people in the city.

Egyptian Ambassador to Korea Bahgat Ibrahim Desuqi and his embassy officials and cultural officials of foreign embassies here were present on invitation.

Speeches were exchanged at the photo exhibition.

The attendants saw pictures showing the achievements made by the Egyptian people in the building of a new society and the history of Egypt and appreciated an Egyptian feature film.

Friendship Gathering Held on Farm

SK2507153589 *Pyongyang KCNA in English*
1526 GMT 25 Jul 89

[Text] Pyongyang July 25 (KCNA)—A friendship gathering took place today on the Korea-Egypt friendship Sosamjong cooperative farm on the occasion of the 37th anniversary of the July 23 revolution, the national day of the Egyptian people.

Attending the gathering were vice-chairman of the Committee for Cultural Relations with Foreign Countries Chon Yon-ok and other officials concerned and functionaries of the management board of the farm.

Egyptian ambassador to Korea Bahgat Ibrahim Desuqi and his embassy officials were present on invitation.

An art performance was given there.

Prior to the gathering the guests went round the farm.

More Materials Deemed Necessary for Light Industry

SK2207045389 *Pyongyang Domestic Service in Korean*
2214 GMT 16 Jul 89

[NODONG SINMUN 16 July editorial: "Let Us Send More Materials to Light Industrial Plants"]

[Text] One of the most important tasks assigned to us in thoroughly implementing the decisions of the 16th plenary session of the 6th party Central Committee is to give decisive priority to producing raw materials and materials for light industry.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: Raw materials and materials should be adequately supplied to operate light industrial plants at full capacity and to normalize production.

Smoothly guaranteeing the production of raw materials and materials for light industry is one of the most important conditions for drastically increasing the production of people's consumer goods.

Raw materials and materials are the most important element of production. Whatever modern machinery and equipment have been provided and however ardent the zeal of the masses may be, production cannot be constantly normalized at a high level without giving firm priority to the supply of raw materials and materials.

For this reason, our party has always paid close attention to producing and supplying raw materials and materials, and has seen to it that a struggle can be staged with the guarantee of the supply of raw materials and materials as among the important demands of economic management.

Thanks to the wise leadership of the party, the foundation for raw materials of light industry, like the foundations of other fields, has been solidly built in our country, and the chemical industry in particular has been developed well.

The material and technological basis of light industry has been extraordinarily reinforced as a result of the vigorous acceleration of the chuche orientation, modernization, and science orientation of light industry in recent years. Thus, the demand for raw materials and materials has been drastically increased.

The question of operating the existing light industrial plants at full capacity and normalizing production at a high level depends largely on how the supply of raw materials and materials is guaranteed.

As noted at the 16th plenary session of the 6th party Central Committee, smoothly guaranteeing the production and supply of light industrial raw materials and materials is a prerequisite for epochally developing light industry.

Only when firm priority is given to the production of light industrial raw materials and materials can the production of people's consumer goods be normalized at a high level, can the number of kinds of consumer goods be increased, and can their qualities be improved.

The questions of filling shops with diverse high quality goods by taking effective advantage of the already secured light industrial foundation and by drastically increasing the production of people's consumer goods; of realizing the modernization of light industry by accelerating technical innovation; and of effecting a great turn in producing people's consumer goods in a few years depend, after all, on giving substantial priority to the production of light industrial raw materials and materials.

Normalizing production at a high level by operating light industrial production equipment to full capacity is an important task in giving priority to producing light industrial raw materials.

Our party has paid prudent attention to the work of building up those fields serving light industry and of solidifying their material and technological foundation in keeping with the rapid development of socialist economic construction.

Taking into account that there are tens of thousands of varieties of people's consumer goods and that there are diverse raw materials and materials needed for their production, our party has concentrated investment in the fields of chemical, metal, and forestry industries to produce light industrial raw materials in an industrial manner, thus remarkably improving the technological basis for light industry production.

The production potential of the already secured base of light industrial raw materials is tremendous. When production is normalized at a high level by operating this base at full capacity, a qualitative and quantitative turn will be effected in producing people's consumer goods.

Those sectors related to the production of light industrial raw materials should operate equipment at full capacity and produce more chemical products—such as chemical fabrics, synthetic resins, synthetic rubber, and plastics—many kinds and sizes of steel products, and wood products.

A large amount of raw materials and materials used by light industrial plants is produced by the chemical industry. The question of normalizing production at a high level by operating chemical plants at full capacity is an important one in implementing the policy of the light industrial revolution.

The chemical industrial field should operate the existing plants and enterprises, small and large, including the 8 February vinalon complex, the Sinuiju chemical fabrics complex, and the Namhung youth chemical complex, thus producing and supplying more light industrial raw materials—such as chemical fabrics, vinyl chloride, polyethylene, and dyes—auxiliary materials, and chemicals.

At the 16th plenary session of the 6th party Central Committee, the great leader Comrade Kim Il-song put forth the task of modernizing light industry and clearly indicated ways and directions for discharging it.

In a few years, the material and technological basis of our country's light industry will be further reinforced. As a result, the demand for raw materials and materials will be drastically increased. Vigorously conducting the work of expanding the capacity of the base of light industrial raw materials in conformity with this demand is an urgent demand for further developing light industry.

The fields concerned should set correct goals at every stage, dynamically conduct the work of building new plants, and expedite their commissioning.

In particular, the construction of the Sunchon vinalon complex should be accelerated and completed at the earliest possible date. When the Sunchon vinalon complex is commissioned, many kinds of chemical products and auxiliary materials will be produced. If this complex is constructed, the demand for light industrial raw materials and materials can be met smoothly.

With a brilliant vista for the future and faith in victory, the functionaries and workers in the field of construction should more vigorously accelerate the construction of the Sunchon vinalon complex.

Small and medium chemical plants play a very important part in increasing the production of light industrial raw materials and materials. The provinces should take revolutionary measures to operate small and medium chemical plants everywhere at full capacity.

Developing the rural economy in a more multifaceted manner and exploiting mountains and seas in a comprehensive way are one of the important guarantees for solving the problem concerning light industrial raw materials.

The rural economic field should increase the production of crops, fiber crops, oil-bearing crops, industrial crops, meat, fruit, and cocoons, thus guaranteeing the supply of light industry with more raw materials.

The fields concerned and provinces should secure a boundless amount of light industrial raw materials, such as wild fruit, wild vegetable, and fish, by exploiting mountains and seas, and supply them to the light industrial sector.

Our local industry is matchlessly large in its scale and holds an important position in producing people's consumer goods. The portion of local industry in the general industrial output of the country is very large.

The original purpose of local industry lies in producing a large quantity of people's consumer goods by processing mainly local raw materials.

The local industrial sector should more firmly build up its own base of raw materials and cultivate many kinds of crops for raw materials to decisively increase their yield. Along with this, it should correctly establish the system of procuring raw materials and unreservedly mobilize and utilize light industrial raw materials.

The role of party organizations and functionaries at every level should be enhanced to solve the problem of light industrial raw materials. The work of increasing the production of light industrial raw materials and materials is never practical work. It is important political work connected with the question of whether the party's lines of light industry are implemented or not.

The party organizations and functionaries should roll up their sleeves to solve the problem of light industrial raw materials and fulfill their responsibility and role. The party organizations and functionaries at every level should go down among workers and give priority to organizational and political work to unreservedly mobilize their boundless strength and creative resourcefulness into the struggle to solve the problem of light industrial raw materials.

In particular, functionaries in state economic organs and the chemical and light industrial fields, and local guiding functionaries, should assiduously plan and coordinate—

with a high revolutionary, party-minded, working class-minded, and people-minded spirit—economic organizational work to give priority to producing light industrial raw materials and service work.

Let all of us effect a great turn in producing people's consumer goods by actively struggling to give priority to producing light industrial raw materials, implementing the decisions of the 16th plenary session of the 6th party Central Committee.

Brisk Industrial Building Progress Reported
SK1807042689 Pyongyang KCNA in English
1158 GMT 17 Jul 89

[Text] Pyongyang July 17 (KCNA)—The construction of major objects is making headway briskly in Korea.

The Musan mining complex, a leading iron ore producer of the nation, finished the civil engineering and construction and the assembling of equipment in some 20 programmes to open a broad vista for an earlier completion of the capacity expansion project on the whole.

The Musan area is blessed with inexhaustible deposits of magnetite of good quality.

The state is concentrating investment on the complex under a plan to bring its production capacity to the 15 million ton mark in the near future.

The frame assembling of the main production building [words indistinct] has been finished and the bricklaying of the walls of the substation and the bag manufacturing process completed in the construction of the fertilizer plant of the Sunchon Vinalon Complex.

The builders of the Chongjin Container Factory carried out more than 70 percent of the total amount of the construction of the assembling workshop, the sawmill, the power station and other productive and auxiliary buildings, cultural and welfare facilities in a short period of time.

Vitality of Theory on Party Position Elucidated
SK2507135289 Pyongyang Domestic Service in Korean
2216 GMT 15 Jul 89

[NODONG SINMUN 16 July special article: "The Great Vitality of the Theory on the Party's Position and Role"]

[Text] Ceaselessly developing the theory and ideology on the party buildup is important in strengthening the party and consummating the cause of the working class for party buildup.

Dear Comrade Kim Chong-il, through the struggle of permeating the party and society with the chuche idea, has won a great achievement by comprehensively developing and enriching the chuche-oriented ideology and theory on the party buildup. What is important in this is the new elucidation of the party's position and role.

The theory on the party's position and role has displayed great vitality in carrying out the work of our party and in building up the party.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the party, has noted: As the nature of the leader is the center of the vitality of the social and political body, the nature of the party is that of the militant body which unites the masses of the people as a social and political organic body around the leader. The party is a political tool to embody the revolutionary ideology of the leader.

Dear Comrade Kim Chong-il has elucidated that the party, as a vanguard of the working class and working people organizationally and ideologically united around the leader, is a political body that functions militantly in uniting the masses of the people as a social and political organic body around the leader.

This is a great ideological and theoretical achievement, which newly elucidated the party's position and role in connection with the nature of the party.

The people normally regarded the party as a vanguard of the working class, as a supreme organization, and as the headquarters of the revolution. This is, of course, an appropriate recognition of the leading position of the party of the working class. However, this is not a complete insight into the party's position.

To correctly realize the party's position and role, above all, the position the party takes in the social and political organic body, the united body of the leader, party, and masses, should be correctly elucidated based on the theory on the main force of the revolution.

This is an essential precondition to comprehensively and deeply understanding the position of the party according to the intrinsic nature of social activity and according to its relations with the leader.

Social activity is inherently different from the activity of nature. There is no master in the activity of nature, but there are masters in social and historical activity. The masses are the masters of the social and historical activity. However, the masses have not always been the independent masters of the revolution. To become the independent masters of history, the masses should come under the leadership of a party and leader and should unite as a single body with a single ideology. This means

that the position of the party can be appropriately and scientifically explained, only when it is explained within the scope of the unity among the leader, party, and people.

The main force of the revolution is the united body of the leader, party, and people. The theory on the main force of the revolution has been put forth and elucidated. Thus, it has become possible to elucidate the position of the party within the scope of the unity of the leader, party, and people. As the main force of the revolution, the united body of the leader, party, and people is a social and political organic body. Here, the leader, as the center of the social and political body, analyzes, synthesizes, and unifies the independent demands and interests of the people and uniformly leads the people's creative activities aimed at realizing their demands and interests.

Thus, the masses of the people can display their vitality as an independent social and political body and can pioneer their destiny independently and creatively, only when they unite as a single body around the leader.

However, the popular masses will neither be conscious of the leader's ideology by themselves nor will they be united around the leader by themselves.

In order for the popular masses to be conscious of the leader's ideology and to unite around the leader, they should be led by such a political organization as the party. This is the same theory that in order for a live organism to carry out activities, it should have a brain, which organizes and rules all of life's activities in a unified manner, as the center, and a backbone, which concentrates the nervous system in the brain.

Without the backbone, an organism's activities cannot be carried out. In order for a social and political organism to smoothly carry out activities, there should be a party to carry out the functions of the backbone, together with the leader, who is the center of the organism.

The popular masses are to be led by the leader through the party and are to be united around the leader organizationally and ideologically, under the leadership of the party. The consciousness-raising and organization of the popular masses are to be achieved through the party, under the leadership of the leader.

By widely propagandizing and disseminating the leader's revolutionary ideology among the masses, the party of the working class makes the leader's revolutionary ideology dominate the entire society and thus provides an ideological basis for attaining the organizational and ideological unity between the leader and the popular masses. Furthermore, by constantly accepting the front-runners into its ranks, the party of the working class expands and strengthens the party ranks and more highly enhances its combat capabilities.

By remodeling the entire society on the leader's ideology to accomplish the cause of communism, the party organizes the broad masses according to the characteristics of the class, social strata, sex, and age. Thus, the party allows all members of the society to have a social and political life and to glorify their lives.

From this standpoint, the party can be said to be the main body of social and political life. The popular masses should be conscious of their class situation and strength through the party's political functions, should be firmly united as a social and political force, and should be united around the leader organizationally and ideologically.

With all of this, the party carries out the backbone functions and role in the social and political organism. Included in this are the unique position and role of the party, for which no other political organization of the working class can substitute. The new definition of the position and role of the party is of great significance in the development of theory on building the party of the working class, thus demonstrating great vitality. This enables one to enhance the party's combat capabilities and guidance role.

Our party's theory, which newly defined the party's position, opened a broad road, which can effect a basic turning point in enhancing the party's combat capabilities and guidance role and in all domains of party buildup and party activities.

The party is a united body of party organizations, and party organizations are the political organizations that carry out backbone functions in social and political groups. The party's combat capabilities and guidance role greatly depend on the combat capabilities of party organizations. With the elucidation of the theory on the position of the party and party organizations that constitute the party, party organizations can now fully carry out the political functions and role as a political staff office in the relevant domain.

The party's combat capabilities are to a great extent related to its foundation. The theory on the position and role of the party serves as a mighty weapon, which enables the party to firmly unite the broad popular masses around the leader and to strengthen its mass foundation.

It is possible to constantly strengthen the party's foundation even under the condition in which great change takes place in the composition of the social class along with the development of capitalism, to say nothing of the case in which the working class builds socialism and communism after taking power. It has been clearly proven theoretically and practically that the party of the working class can not only revolutionize the broad masses of all strata without difficulty, but can also successfully pioneer the road leading the revolution to victory only when it carries out party building under the

principle of guaranteeing the unitary nature of the leader's ideology and leadership and when it takes root deep in the broad segments of the masses—including workers, farmers, and intellectuals—and constantly improves ways of party work with new guiding ideology and new guiding theory, which can lead these masses to carrying out the revolution.

The new theory on the party's position and role has also become the mighty guideline that makes it possible for the party to perform its historic mission. The party's mission is to consummate the revolutionary cause. The revolutionary cause of the working class is precisely the leader's cause, which is pioneered by the leader and which is advanced and is victorious under the leader's leadership. The leader's cause is precisely the party's cause.

The theory on the party's position and role elucidates the inseparable relations between the leader and the party. The leader is synonymous with the party. The party is synonymous with the leader. The leader's leadership is precisely the party's leadership. The viewpoint and stand toward the party constitute, in essence, precisely the viewpoint and stand toward the leader.

The cause for the popular masses' independence, the cause of the party, is to continue generation after generation and to continue even under the communist society. Therefore, the party's position should be constantly enhanced, and the party's role should be strengthened.

It has been a general view that as socialist and communist construction is advanced the position and role of the party and the state as the high political structure are to be gradually weakened, and are to wither under the communist society.

The problem of the future prospect and role of the party has been correctly explained thanks to the theory on building of the party of *chuche*, the revolutionary theory. The party's position and role should be constantly strengthened and developed under the conditions in which a social and political group composed of the united body of the leader, the party, and the masses is regarded as one organic body and in which the leader is regarded as the group's center and the party is regarded as its backbone. This constitutes an inevitable requirement for the development of the social and political organic body and for the construction of socialism and communism.

The basic problem in consummating the party's cause of realizing the popular masses' independence is to correctly inherit the cause. The basis in inheriting the party's cause, proceeding from the essence of the party, is to inherit the political position and role of the leader. In the social and political organic body, the leader is the

center and the party occupies the political position. Therefore, the party's cause, which is inherited generation after generation, should be inherited by the successor of the leader.

Historic experience shows that only when the party of the working class upholds as the successor of the leader the people's leader [*chidoja*], who is infinitely faithful to the revolution and who possesses the personality and ability that can smoothly exercise the political leadership in the whole society, can the party's cause be safeguarded, inherited, and developed under any difficult and complicated circumstances without trepidation and vicissitudes.

What is particularly important in brilliantly inheriting the party's cause by enhancing the party's position and role is to firmly build the party's basis as the political foundation to exercise the successor's leadership. Our party has successfully resolved this by defining and implementing it as one of the principles in building the party.

As taught by the great leader, in our party the governing body of the party has been firmly built and consolidated, the party's organizational and ideological foundation has been firmly deepened, and the party's leadership system has been firmly established so that the leader's ideology and leadership can be inherited. As a result, our party has been able to invariably safeguard its revolutionary character even under any difficult and complicated circumstances.

In the history of our party, there has been no time in the past when the ranks of the party were strengthened organizationally and ideologically and when the party's combat capability and leading role were enhanced as we witness today. This is thanks to the dear Comrade Kim Chong-il, who has elucidated anew the party-building theory on the party's position and role and who has brilliantly embodied the theory in the building of our party and its activity. By firmly grasping and implementing the ideology and theory on the party's position and role, we should further strengthen and develop our party and vigorously accelerate the revolutionary cause of *chuche* under the party's leadership.

South Korea

South Requests U.S. Support in UN Membership Bid
SK2607062389 Seoul YONHAP in English 0554 GMT
26 Jul 89

[Text] Washington, July 25 (YONHAP)—South Korea has officially asked the United States to persuade North Korea and communist powers with which Seoul has no diplomatic ties to cooperate in its bid for U.N. membership.

Korean Foreign Minister Choe Ho-chung, who met Secretary of State James Baker here Tuesday to discuss bilateral cooperation and the situation in Northeast Asia, told the Korean Press Corp that he had requested the U.S. efforts to realize South Korea's entry into the international organization, and hoped the United States would intercede with the Soviet Union and China as well as North Korea.

The foreign minister also said his government plans its own efforts to dissuade the Soviet Union and China from vetoing its application for U.N. membership.

Choe told Baker it is desirable for Washington to ask Moscow and Beijing to persuade Pyongyang to accept a reunification formula favored by Seoul in which the two Koreas enter the United Nations simultaneously before reunification, according to Choe.

He explained to Baker that relations between the two Koreas are at a temporary standstill but there is no basic change of policy on the part of South Korea in efforts to improve ties.

The two agreed that Seoul and Washington will maintain close cooperation on contacts with communist bloc nations, including North Korea and the Soviet Union, and will inform each other of the contents of such contacts, Choe said.

Touching on other issues taken up at the talks, Choe said Baker expressed interest in Korean Air's hope to fly to Chicago and agreed to continue consultations on President No Tae-u's visit to Washington in October and relocation of the U.S. 8th Army Command out of downtown Seoul.

The U.S. State Department, in a separate statement after the talks, said the two exchanged instructive and productive views on all bilateral and regional matters of concern.

Daily Views Japanese LDP's Defeat in Elections

SK2607012989 Seoul THE KOREA TIMES in English
26 Jul 89 p 6

[Editorial: "Japan Ruling Party's Defeat"]

[Text] As widely anticipated, in Sunday's balloting for half of the 252 seats in the Japanese Diet's upper house, the ruling Liberal Democratic Party (LDP) lost its majority in the chamber for the first time in 34 years while the first opposition Japan Socialist Party (JSP) was the biggest gainer.

The political world in Japan has been drawn into a whirlpool by the result, with Prime Minister Sosuke Uno, in office less than two months, immediately stated he was resigning to take ultimate responsibility for his party's unprecedented losses.

However, in spite of the opposition moves to seek a national coalition government, the Liberal Democrats will continue to remain as Japan's ruling party as long as they retain a solid majority of lower house seats, enabling them to post the party president or the premier-ship.

With the loss of their majority in the upper house, the Liberal Democrats will face great difficulties in legislation. This is because the upper house, albeit less powerful than the lower house, can vote down bills and can delay though not block the budget and diplomatic treaties, while differences between bills passed by the two houses will have to be ironed out by a joint conference committee.

Through its unprecedentedly bitter defeat, the LDP seats in the upper chamber sharply fell by 33 to 109, 18 short of a simple majority of 127. On the other hand, the Japan Socialist Party this time won 46 of the seats it contested to increase its upper house strength from 43 seats to 67.

The LDP's substantial setback is attributable mainly to its loss of popularity as a result of the deterioration of its leaders' political morality in connection with the influence-peddling Recruit scandal and Premier Uno's alleged affairs with women, including a geisha.

Besides, many voters did not support the Liberal Democrats because they have introduced a new 3 percent consumption tax and a wider opening of agricultural imports in disregard of farmers' protests.

The LDP should take a lesson and realize that the people turn their backs on any party when its leading members are corrupt and ethically degraded.

In view of the latest change in the Japanese political arena, we are especially concerned about Japanese foreign policy including that regarding the Korean peninsula.

The keynote policy of the Japanese ruling party has been the pursuit of economic and other national interests based on the friendly and cooperative bond with the U.S. in line with their security treaty.

In this context, with opposition parliamentarians, including socialists who advocate disarmament and international neutrality as well as an overhaul of the U.S.-Japan ties, gaining strength in parliament, Japan's foreign policy may be affected to some extent.

As far as the Japanese policy toward the Korean peninsula is concerned, the conservative Japanese government has formally recognized the Republic of Korea as the only, legitimate government on the Korean peninsula, according to the basic treaty of the two neighboring countries, a pact opposed by the JSP.

On the other hand, the JSP, which has traditionally sided with North Korea, is showing moves to expand exchanges with South Korea in a realistic attempt to recognize the existence of two governments on the Korean peninsula, in line with the strengthening of South Korea's international standing over recent years.

Accordingly, the nation needs to seek divergent contacts with Japanese politicians representing not only the ruling party but also the JSP and other opposition parties in a suprapartisan dimension to promote the national interests.

The LDP may seek a coalition with oppositionists on a short-term basis but ought to conduct drastic intraparty reform to do away with plutocracy resulting in graft from business concerns, in particular, as a fundamental remedy.

More on Return of Chondaehyop's Yim Su-kyong

North Messages Support Panmunjom Crossing
SK2107042889 Seoul YONHAP in English 0250 GMT 21 Jul 89

[Text] Seoul, July 21 (YONHAP)—North Korea demanded Thursday that a South Korean student be allowed to return from the North through the truce village of Panmunjom, and that Seoul promise not to punish her.

Yim Su-kyong, 21, has declared she plans to return to Seoul July 27 from an unauthorized trip to Pyongyang, where she attended the world youth festival July 1-8 in defiance of a government ban, through the heavily guarded truce village.

In a telephone message to Unification Minister Yi Hong-ku, North Korea's Committee for Peaceful Unification of the Fatherland, headed by former Foreign Minister Ho Tam, demanded "due steps" be taken for Yim's safe return to Seoul through Panmunjom and that South Korea's prime minister or home minister openly declare that the government will not "suppress" her, an official said.

The North Korean committee, which South Korean officials see as an apparatus for anti-Seoul activities, warned that relations between the two Koreas would worsen if the government arrests or punishes Yim.

Yim shocked the nation by flying to Pyongyang via Tokyo and Berlin as sole delegate of the South Korean National Student Representatives' Council [Chondaehyop], a nationwide organization of radical students, in late June. The Seoul government has said it will arrest Yim as soon as she returns on charges of violating the National Security Law.

Son Song-pil, president of the North Korean Red Cross society, sent a similar letter the same day to his Southern counterpart, Kim Sang-hyop, calling for measures to guarantee Yim's safety.

Yim sees returning through the truce village as a symbolic gesture to advance reunification of the Korean peninsula, but the government sees it as a chance for the North to reap a propaganda bonanza and has tried to close the Panmunjom door.

The government has asked the United Nations Command, which controls the truce village, to prevent Yim from entering the Southern sector of the joint security area or crossing the Military Demarcation Line.

If Yim tries to cross directly through the village, Seoul wants U.N. troops to send her back to the North. The village is in the joint security area, over which U.N. forces share jurisdiction with the North.

Panmunjom sits on a 250-kilometer-long Military Demarcation Line across the waist of the peninsula in a four-kilometer-wide Demilitarized Zone that was set up at the end of Korean War 1950-1953 under an armistice.

UNC Rejects North Requests
SK2607013589 Seoul THE KOREA HERALD in English 26 Jul 89 p 3

[Text] The United Nations Command (UNC) said yesterday it rejected two requests from North Korea that an individual, apparently Yim Su-kyong, be allowed to pass through the Military Demarcation Line (MDL).

The UNC received messages from North Korea twice—July 19 and 24—asking for free passage of an individual, but sent a reply saying it would not be permitted since the South Korean government did not approve it.

The UNC said it has so far allowed people, mostly officials and journalists from North and South Korea to pass through the MDL with consent by the Korean government.

The government will not allow Yim to return home by way of Panmunjom as she wishes, saying that North Korea's attempt to send her back through the truce village is politically motivated.

Yim has openly declared on several occasions her intention to return home via the truce village after marching southward from Mt. Paektu on the North Korean-Chinese border.

She participated in the World Youth Festival held in Pyongyang July 1-8 as a representative of Chondaehyop [National Council of University Representatives], a radical student group, in defiance of a government ban. She reportedly flew to Pyongyang via Tokyo and East Germany.

Authorities now say that there is a possibility that Yim may return home via a third country instead of her original plan since North Korea is unlikely to push ahead with its plan to send her back via the truce village in violation of the Korean Military Armistice Agreement.

Under the agreement, no one is permitted to pass through the Demilitarized Zone (DMZ) without permission of the United Nations Command (UNC), which has jurisdiction over the area.

But political observers would not rule out another possibility that she try to cross the DMZ.

Authorities and UNC reportedly are considering a plan under which soldiers from the Korean Augmentation of the U.S. Army assigned to the village security forces escort and hand her over to Korean authorities if she comes across the Military Demarcation Line.

The Agency for National Security Planning (NSP) will probe Yim when she returns home and is arrested, sources said.

Reversing its decision to leave the probe of Yim to the National Police Headquarters (NPH), the NSP will handle the Yim case in light of the fact that she has made remarks sympathizing with the cause of North Korea during her illegal trip, the sources said.

The NSP investigation, they said, will focus on who was behind Yim's illegal trip and how she got trip expenses.

The NSP is looking into allegations that Chondaehyop has received assistance from a pro-Pyongyang figure active in an undisclosed foreign nation, the sources said.

The government plans to forcibly disband Chondaehyop as an antistate organization if Yim's trip to Pyongyang is proved to have been made in accordance with orders from North Korea, they said.

Catholic Priest Sent To Escort Yim

SK2607042989 Seoul Domestic Service in Korean
0300 GMT 26 Jul 89

[Text] The National Council of Catholic Priests for the Embodiment of Social Justice revealed that it has dispatched Father Mun Kyu-hon to North Korea so that he may return together with Yim Su-kyong who participated in the Pyongyang festival.

In a news conference held this morning at the Catholic Hall in Myongdong, Seoul, Father Nam Puk-hyon, chairman of the council's standing committee, said that the council has selected Father Mun Kyu-hon, who works as secretary of the Asian district cathedrals, as its delegate and sent him to North Korea to escort Yim Su-kyong so that she may return safely through Panmunjom.

He stated that Father Mun Kyu-hon left Japan yesterday and is currently staying in Beijing, China, and will arrive in Pyongyang this afternoon. Father Nam also revealed that the priests belonging to the council plan to go to Panmunjom tomorrow to welcome Yim Su-kyong and Father Mun.

Catholics Accept Responsibility

SK2607075189 Seoul YONHAP in English 0649 GMT
26 Jul 89

[By Hong Sang-pyo]

[Text] Seoul, July 26 (YONHAP)—A South Korean Roman Catholic priest has flown to North Korea to accompany a student as she tries to return to South Korea through the truce village of Panmunjom Thursday.

The Seoul student, a faithful Catholic, attended the world youth festival in Pyongyang July 1-8 in defiance of a government ban and faces arrest upon her return.

The Rev. Mun Kyu-hyon was due to arrive in Pyongyang on Wednesday afternoon via Beijing to accompany Yim Su-kyong, who has openly declared that she will return home through the truce village in the Demilitarized Zone dividing South and North Korea after marching southward from Mt. Paektu on the border with China.

Mun's trip was announced Wednesday in a news conference called by permanent members of the Catholic Priests' Association for Justice at Myongdong Cathedral in downtown Seoul.

The group's spokesman said the 44-year-old Mun, working on a master's degree at Maryknoll Seminary, Maryknoll, New York, was selected for the mission in an emergency meeting of the association's permanent members July 5.

"The association sent Mun to North Korea to give Yim Christian support against her adversary, to assume pastoral responsibility for a sheep which has lost its way, to express determination not to submit to an oppressive political regime and to promote debate on reunification (of the divided Korean peninsula)," the spokesman said.

The association chose Mun because he is a permanent resident in the United States.

The priests' group is headed by the Rev. Kim Sung-hun, a well-known dissident who is outspoken in his criticism of the government.

Mun has obtained permission to visit Pyongyang from Stephen Father Hamao, who heads the Philippines-based diocese for human development under the federation of the Asian Bishops' Conference, the spokesman said. Mun also serves as chief secretary for the regional Catholic organization.

The spokesman said 16 members of the group representing 11 dioceses in South Korea will assume legal responsibility for sending Rev. Mun to Pyongyang in violation of the National Security Law, which bans visits to North Korea by South Koreans.

But the government, stunned by the announcement of yet another covert trip to Pyongyang, threatened legal action against Mun if he enters the country.

"Though Mun has a U.S. permanent residence permit, he's still subject to South Korean law because he has Korean nationality," a government official said.

Stephen Cardinal Kim Su-hwan, primate of South Korea's Roman Catholic Church, had no comment on the news.

Rev. Mun Ik-hwan made a trip to Pyongyang from late March to early April to discuss reunification with North Korea leader Kim Il-song. Mun, a Presbyterian pastor, is now on trial on charges of violating the National Security Law.

The spokesman said that by sending a priest to accompany Yim the association is showing its support for her ardent desire for reunification, which resulted in her visiting to the North to attend the Pyongyang youth festival.

The association's permanent members will be waiting on the southern side of Panmunjom Thursday to welcome Yim and Mun, he said.

The government says it is opposed to Yim returning home by way of Panmunjom, which is controlled by the U.S.-led U.N. command and is off limits to South Korean civilians, because the move is politically motivated and only designed to score propaganda points.

The United Nations Command, which has jurisdiction over the truce village in the Demilitarized Zone, has rejected two north Korean requests that "an individual," presumably the 20-year-old French major from Seoul's Hanguk University of Foreign Studies, be allowed to cross the Military Demarcation Line.

Government officials have said, rather hopefully, that there is a possibility that Yim may return home via a third country, abandoning her troublesome plan to come home via the truce village in violation of the Korean Armistice Agreement.

The government will arrest Yim on charges of violating the National Security Law after she returns home.

Yim shocked the nation by secretly flying to North Korea in late June as the sole representative of Chon-daehyop, the Council of National Student Representatives, at the Pyongyang festival.

Yim said she visited the North with a pure aspiration for reunification of the Korean peninsula, divided at the end of World War II in 1945.

The government insists it must be the sole channel for any discussions with the North on reunification or other topics and any visits by its citizens must be approved according to the law.

Tension Mounts on Eve of Return

*OW2607035289 Tokyo KYODO in English 0306 GMT
26 Jul 89*

[Text] Seoul, July 26 KYODO—Tension is increasing here Wednesday on the eve of a South Korean student's attempt to return from her unauthorized North Korean visit through the truce village of Panmunjom.

A national student group is preparing to hold welcoming meetings nationwide.

South Korea's largest university student league, Chon-daehyop, said Wednesday it would send representatives to the border post of Panmunjom to welcome Yim Su-kyong, who took part in a July 1-8 youth festival in Pyongyang without Seoul government's official permission.

Yim Pan-ho, Yim's father, apologized to the public Wednesday for making trouble with his daughter's unauthorized trip to North Korea.

In an open letter to the public, he also asked the North Korean Government to immediately stop taking advantage of young students for political purposes.

Both the South Korean Government and the United Nations Command (UNC) have said they would not accept Yim's passage at the border truce village.

Meanwhile, a group of South Korean Roman Catholic priests said Wednesday it will send a priest to North Korea to escort the South Korean student home through Panmunjom.

The Catholic Priests' Association for Justice decided on the action to help the student in crossing the border in defiance of the Seoul government.

The association said priest Mun Kyu-hyon, who has been studying in the United States and is now staying in Beijing, will arrive in Pyongyang on Wednesday.

Mun will accompany the student on her return to South Korea through Panmunjom scheduled for Thursday, the association said.

The association said Mun arrived in Beijing from Japan on Tuesday.

Mun, who has the right of domicile in the U.S., also visited North Korea early last month.

More on Controversy Over Summons for Kim Tae-chung

Possible Detention If Summons Ignored
SK2107115089 Seoul Domestic Service in Korean
1000 GMT 21 Jul 89

[Text] The third summonses issued by the Agency for National Security Planning [NSP] were delivered this afternoon to Kim Tae-chung, president of the Party for Peace and Democracy [PPD] and to Mun Tong-hwan, former PPD vice president. It has been learned that the NSP will forcibly take party president Kim and the other man into custody if they do not obey the third summonses. Reporter Kim Pu-chol of social affairs desk has more.

[Begin Kim recording] The third summonses by the NSP were delivered to party president Kim Tae-chung at around 1645 this afternoon and to former vice party president Mun Tong-hwan at around 1545. The third summonses stipulated that "the NSP requests your presence at the NSP at or before 1000 on 24 July for the purpose of hearing your statement in connection with the case of the suspect Assemblyman So Kyong-won."

Concerning this, a high-ranking NSP official today said that sanctuary, including political considerations, cannot be allowed in the investigation of an incident concerning national security and that the investigation will be conducted in the future according to the relevant laws. Thus, he strongly suggested a step to take party president Kim and one other into custody and forcibly investigate them in case they do not accede to the third summonses.

This official also revealed that the background concerning the entry of Assemblyman So Kyong-won into the PPD and the PPD's nomination of So Kyong-won as its official candidate during the parliamentary elections is merely part of the investigation to be conducted on party president Kim and others. However, he noted that it is not the appropriate time to reveal all the details of the investigation, for the sake of secrecy of the investigation.

This official said that in the course of the NSP investigation, Assemblyman So stated that when the party was reviewing the issue of nominating its official candidates during the general elections on 26 April last year, he competed with Yi Chin-yong, who was assemblyman for three terms, but the PPD's committee for screening candidates could not reach a decision even after two sessions of the screening meeting. Thus, party president Kim, upon hearing this, decided to nominate So Kyong-won.

This official noted that Yi Kil-che, former chairman of the PPD's committee for external cooperation, who is now under detention in connection with this incident, said that he understands that party president Kim made the final decision to nominate So Kyong-won. [end recording]

PPD Lawmakers Begin Sit-In Protest
SK2607010389 Seoul THE KOREA TIMES in English
26 Jul 89 p 1

[Text] The Party for Peace and Democracy yesterday entered an indefinite sit-in at its party headquarters in a show of resolute determination to fight the government's "black propaganda" which they claim is aimed at destroying the PPD.

The sit-in started at 7 p.m. with all the PPD legislators and major post-holders attending. The PPD charged that the government is blowing the So Kyong-won affair out of proportion to destroy it.

The sit-in is interpreted as one of the strongest forms of protest for the PPD, the first since the general elections last April.

The largest opposition party strongly accused the Agency for National Security Planning of having spread unconfirmed speculation that PPD head Kim Tae-chung had sent a personal letter to North Korean leader Kim Il-song through So Kyong-won, thus inflicting severe damage on the party.

The PPD demanded that President No Tae-u publicly apologize for the "smear campaign," dismiss the NSP director and punish officials who have spread "demagoguery."

The opposition party also called for the prompt convocation of a special National Assembly sitting to discuss current developments and to form an ad hoc committee holding a parliamentary hearing.

To this end, the PPD sent a group of lawmakers to House Speaker Kim Chae-sun and other political parties to ask for their cooperation in convening an extra House session.

In case the government refuses to meet its demand, the PPD will organize massive rallies throughout the nation and stage struggles in the streets.

A PPD source revealed that his party will hold rallies first in major provincial cities and a large rally at Yoido Plaza in front of the Assembly.

The participants in the meeting agreed to press criminal charges against the NSP official who leaked the "ill-grounded information" to the press.

To deliver the PPD's decisions, a group of PPD lawmakers visited Prime Minister Kang Yong-hun yesterday afternoon.

The prime minister was quoted as telling them, "I sympathize with your position. I've instructed an investigation into the story, reportedly based on NSP tipping. But I have yet to receive detailed reports.

"The government does not want a tense political situation, but stability. I humbly accept your remarks," Kang said.

Meanwhile, another group of party legislators called on the Yonhap News Agency to find out how it published the article about suspected delivery of Kim Tae-chung's letter to Kim Il-song.

YONHAP Questioned on 'False Report'

SK2607010589 Seoul THE KOREA HERALD
in English 26 Jul 89 p 1

[Text] Four lawmakers from the Party for Peace and Democracy visited the Yonhap News Agency office Monday to inquire into why the agency carried the "false report" that the party leader Kim Tae-chung sent a message to North Korean leader Kim Il-song through a party lawmaker So Kyong-won.

The lawmakers asked the agency president Cho Yong-chung to identify the source of the news, claiming that the intelligence agency investigating the So case intentionally leaked the false news to the press as part of its political maneuvering (against the opposition party).

Pressing Cho to identify the intelligence agency official who supplied the false news, the visitors claimed that the press has an obligation to protect its news source but the source of false news does not deserve such protection.

Cho replied that his agency made the report through due process of confirmation, saying that a news media should not be used by anyone for an unrighteous purpose.

"I made it clear here that we, as a news media regard our public credibility as most important, did not made the report from just a tip from a little-known official of the intelligence agency," Cho told the visitors.

Cho at one point warned that if the PPD lodged a protest on the issue, the agency will continue to dig into the case in the spirit of good journalism.

RDP Criticizes NSP Allegations

SK2607011389 Seoul THE KOREA TIMES in English
26 Jul 89 p 2

[From the "Press Pocket" column: "Attack on Agency for National Security Planning"]

[Text] The Reunification Democratic Party [RDP], which has stood aloof from the controversy over the activities of the Agency for National Security Planning [NSP], came up with a new strategy to put the brakes on the powerful intelligence organ yesterday.

The sudden change in the second opposition party's tactics followed a controversial speculation that Kim Tae-chung, leader of the Party for Peace and Democracy, might have sent his personal letter to North Korean leader Kim Il-song through Rep. So Kyong-won who visited Pyongyang illegally last August.

In a meeting of key post holders, RDP vice president Kim Tong-yong claimed that "the security authorities spread a rumor about Kim Tae-chung's personal letter to Kim Il-song without any clear evidence."

"Such irresponsible behavior by the authorities would only make the people feel uneasy," he argued.

Two other vice presidents of the party, Hwang Myong-su and Kim Sang-hyon, also asserted that the individuals responsible for spreading such a serious rumor should be reprimanded.

Emerging from the meeting, party spokesman Rep. Yi In-che told reporters, "The RDP has neither information nor evidence with respect to the allegation. High-ranking officials of the NSP denied the allegation."

DJP Bewildered Over NSP 'Blunder'

SK2607012189 Seoul THE KOREA TIMES in English
26 Jul 89 p 2

[By staff reporter Sin Hak-nim]

[Text] The ruling camp's move against Kim Tae-chung and his Party for Peace and Democracy (PPD) in possible connection with the secret visit by Rep. So Kyong-won to North Korea last year appears to backfire.

The secret visit by the former member of the PPD has seriously damaged the PPD at a time when it is attempting to boost its image as a moderate and centrist opposition force.

But, now signs are that the situation is turning against the Agency for National Security Planning (NSP) mainly because of unconfirmed reports, quoting officials of the top government intelligence agency, that the PPD leader might have sent a personal letter to North Korean leader Kim Il-song through Rep. So.

The PPD lawmaker was expelled from the largest opposition party last month after Rep. So's clandestine visit to Pyongyang last August was revealed.

The Yonhap News Agency's report that Kim Tae-chung might have relayed a letter to North Korea through So provided Kim Tae-chung and his party with a "golden opportunity" to turn the tide against themselves.

Without failing to grab at the apparent blunder by the NSP which is reported to have fed information to the news agency, the PPD resolved in a joint meeting of executives and senior officers yesterday morning to counter what it called the NSP's political maneuvering, "at the risk of our party's existence."

Later in the day, some 70 lawmakers and chairmen of the party's local chapters across the nation and other officers entered into a sit-in protest at the party headquarters.

During the two-hour meeting, senior PPD members asserted that "if our party retreats even one step in the face of the NSP's maneuvering, we will collapse."

The all-out counter offensive by the PPD makes it difficult to make any hasty predictions of future political developments, let alone those in the NSP's attempts to question Kim Tae-chung in connection with Rep. So's secret visit to the North.

A showdown would seem to be inevitable between the PPD and the government authorities over the interrogation of the PPD leader dissipating hopes of any possible compromise on his interrogation.

While the NSP is determined to seek to arraign Kim Tae-chung for interrogation if he continues to refuse to comply with the summons, senior members of the governing Democratic Justice Party (DJP) are attempting to come to a compromise with the PPD members over questioning of Kim Tae-chung.

The NSP's alleged "blunder" has bewildered the government party over how to handle the matter of questioning Kim Tae-chung.

DJP officers grumbled that the NSP had made unnecessary mistakes by leaking unconfirmed information to news organization, bringing the whole situation tumbling down.

To make things worse for the ruling camp, Kim Yongsam's Reunification Democratic Party unexpectedly joined the PPD in denouncing the NSP for having leaked unconfirmed information to the news media.

The 60-seat opposition party had been siding with the government in dealing with the secret Pyongyang visit by Rep. So, who has already been arrested on charges of espionage activities for the communist North.

The NSP, which has been investigating the security-related incidents involving Rep. So and a dozen others, will have to show some "specific" evidence to confirm the reports which grabbed the headlines.

Otherwise, an increasing number of people may sympathize with the PPD which has enjoyed wide support from people in lower income brackets of society in particular.

As the NSP showed its determination to question PPD president Kim and party advisor Mun Tong-hwan by issuing the third summons last week, the PPD denounced NSP moves as designed to break up the PPD. The PPD swiftly expelled Rep. So from the party and made open apology to the people for Rep. So's secret visit to Pyongyang.

Senior officers of the DJP, who had attended a high-level consultation with the administration over the matter on Monday, said that An Ung-mo, senior deputy director of the NSP, reported that his agency had failed to secure any concrete evidence that Kim Tae-chung had sent a personal letter to Kim Il-song through Rep. So.

According to DJP secretary general Yi Chong-chan, the senior NSP officer even denied that NSP sources tipped off the Yonhap News Agency in connection with the controversial reports.

It was reported that the ruling camp will conduct its own investigation to determine who leaked the unconfirmed information to the news media.

As the PPD is determined to call even President No Tae-u to account for the current developments, the ruling camp is likely to be caught in internal confusion in the process of locating responsibility for the fiasco.

With this, the Rep. So Kyong-won scandal may end up in a different direction from what the ruling camp expected at the outset.

Kim Denies Letter Sent to Kim Il-song
*SK2607061989 Seoul YONHAP in English 0449 GMT
26 Jul 89]*

[Text] Seoul, July 26 (YONHAP)—South Korea's top opposition leader, scrambling to undo the political damage caused by alleged links to a lawmaker's illegal visit to North Korea, says he wants to sit down with President No Tae-u so that No can explain and apologize for "trying to undermine his party."

In an interview published Wednesday in the SEGYE TIMES, a Seoul daily, the President of the Party for Peace and Democracy (PPD) flatly denied anonymous allegations that he may have sent a personal letter to North Korean President Kim Il-song through a PPD lawmaker now under arrest on charges of visiting the North last August.

"I never sent a personal letter or message to Kim Il-song," Kim Tae-chung said. "President No ought to explain to me these manipulations of the press, including the allegation that I sent a letter to Kim Il-song."

Kim said he blames the government for exploiting the trip to North Korea by Rep. So Kyong-won to harm his party.

Kim's proposal of a tete-a-tete with No is a bid to reach a compromise on a security related issues, which plague relations between the ruling and opposition parties and have badly hurt the PPD, which expelled So immediately after his arrest June 28.

In a party caucus hurriedly called Wednesday morning to discuss the issue of the letter, Kim strongly accused the No government of attempting to manipulate the media to paint his party as pro-communist and him as a subversive chieftain.

The communist label is political death in South Korea.

He demanded that the Agency for National Security Planning (NSP) disclose by midnight Wednesday whether it stands by the allegation that he sent a letter to Kim Il-song.

If the NSP allegation is shown to have any basis in fact, Kim said, he will "eagerly report for questioning as a suspect."

He vowed to struggle at any cost to frustrate the government's plot, which he termed "security politics," and repeated his call for No to apologize to the people and dismiss his new NSP chief.

Some 70 PPD lawmakers, in a show of determination to fight the government's "black propaganda to undermine our party," began an indefinite sit-in protest at party headquarters Tuesday evening.

This sit-in, regarded as one of the strongest forms of protest for a political party, is the first since No took office in February 1988.

It began after front-page headlines in major Seoul dailies quoted an unnamed NSP official as saying the NSP suspects that Kim may have sent a personal letter to the North Korean leader.

Not only could the reports could deal a severe blow to the opposition leader, but sending a letter to any North Korean is a crime under the stiff National Security Law.

The PPD also decided to file a libel suit against NSP Director So tong-kwon and the unidentified NSP official who allegedly leaked the broad hint that party president Kim may have sent a missive to the North Korean leader via Rep. So.

PPD officials fear that their party will suffer from the charges that Kim sent a letter to Kim Il-song through So, who is charged with spying for North Korea.

The reports came as the PPD was engaged in a tug of war with the politically powerful NSP over its request that Kim report for questioning in connection with So's illegal trip.

Amid criticism the NSP was manipulating the news media, An Ung-mo, the deputy director of the NSP, claimed no NSP agent leaked the unconfirmed rumors to the news media.

But Cho Yong-chung, president-publisher of YONHAP News Agency, which broke the story of the NSP suspicions, said: "I made it clear that we, as a news media, regard our public credibility as of utmost importance.

"We did not make the report based on a tip from a little-known official of the intelligence agency. We made the report after due process and confirmation."

Cho was meeting with four PPD lawmakers who had visited YONHAP, South Korea's sole news agency, to inquire into why and how it carried what they called "false" reports.

Article Analyzes Position of NDRP's Kim Chong-pil
SK2607035589 Seoul IRYO SINMUN in Korean
16 Jul 89 p 5

[By reporter Kim Sang-ton]

[Text] Kim Chong-pil, president of the New Democratic Republican Party [NDRP], is raising his strong conservative voice these days stressing the need for each party to clarify its color of identity.

After meeting President No Tae-u for talks at Chongwadae on 10 July, President Kim Chong-pil crisply stated, "Those in various strata in our society have revealed their color of identity enabling us to see what we have not been able to see before." He then added, "I have discussed this with President No and we both agreed that time is coming closer when the volitions to cope with this situation should be gathered to form a reasonable grand union."

President Kim then went on to say that "he had agreed with President No on the need to take gradual steps henceforth to this end," suggesting that some plan for the realignment of political circles has been worked out.

It is worthwhile to note the remarks of President Kim, namely his remarks that he had agreed with President No on the plan for the realignment of political circles and on the ensuing development of the political situation and that the two persons would cooperate in that manner.

So far, President Kim has maintained a position that he will "watch" President No's ruling style and that if President No goes off the right track in his conduct of political affairs, he would not sit still. However, President Kim, as noted by some political observers, has made a distinct turnaround in his position from the previous position of an onlooker to that of a cooperating partner today.

Therefore, President Kim—who cooperated with the ruling party from time to time after the launch of the Sixth Republic in such critical matters as the parliamentary approval of the appointment of the chief justice and of Prime Minister Kang—is increasingly suspected of having a blueprint of the ruling plan of the Sixth Republic.

In connection with President Kim's conservative voice raised even higher these days, we can divide President Kim's stance into two categories, according to an analysis of some observers, namely, his policy-oriented alliance with the ruling camp prior to his visit to the United States, which was followed by his visit to and talks at Chongwadae and the political alliance with the ruling camp which is to develop from now on, in which the Democratic Justice Party [DJP] and the NDRP will maintain honeymoon relations.

In the talks at the Chongwadae, President Kim agreed with President No on the principle of the resumption of negotiations between the ruling and opposition parties on the issue of liquidating the Fifth Republic legacies.

On this issue President Kim stated, "We have agreed on the need to conclude the liquidation of the Fifth Republic legacies at an early date." Then he went on to say, "I proposed that we activate new negotiations between the ruling and opposition parties to win the approval of the people on the basis of broad-mindedness and the spirit of reconciliation since it will be impossible to solve the issue if the ruling and opposition parties insist on their present positions, and President No agreed to this," thereby suggesting that he intends to resume political negotiations on such issues as the expulsion of the key Fifth Republic figures.

In this connection, President Kim said that he would individually meet with President Kim Tae-chung of the Party for Peace and Democracy [PPD] and President Kim Yong-sam of the Reunification Democratic Party [RDP] to discuss the result of his Chongwadae talks, including the issue of the liquidation of the Fifth Republic legacies, thus disclosing his plan to coordinate the position of the opposition camp on this issue through his contacts with the two Kims.

In particular, President Kim said that President No Tae-u's attitude on the issue of the expulsion of the key Fifth Republic figures was fairly stubborn, suggesting the inevitability of a modification of the opposition position on this issue and implying his plan to persuade the

opposition party presidents, when he meets them, of the need for a certain degree of concession on the part of the opposition parties, in view of the ruling party's painful position.

As to the recent moves of President Kim, such as his conservative remarks and his intention of playing the role of a buffer between the ruling and the opposition parties, many in the political circles are analyzing this in various ways. Some question whether the recent position taken by President Kim is really based on his own belief or whether it is prompted by some outside factor. It also arouses one's curiosity what the blueprint President Kim has on the politics to be developed is like.

People have different views on why President Kim expressed such a view.

Party insiders reacted to this by saying, "This is his cherished opinion. This is just that."

However, a person who knows President Kim very well said, "In view of his pro-U.S. stand, it is clear that President Kim has strong connections with the U.S. side. I know that President Kim, an expert on intelligence affairs, got a blueprint for his future handling of the political situation from his U.S. visit."

He also added, "The U.S. side considers President Kim, who contends that the northern diplomacy, which began last year, is being too hastily carried out, as the most reliable politician."

In fact, a veil was drawn over much of his activities during his U.S. tour. When he was visiting the United States last January, he very secretly contacted U.S. intelligence officials after keeping clear of reporters accompanying him. It was learned that this time again, he met with Defense Secretary Cheney, Secretary of Agriculture Yeutter, Secretary of Commerce Mosbacher, Trade Representative Hills, White House National Security Affairs Assistant Scowcroft, and other important people in and out of the U.S. Administration and extensively exchanged views on security affairs on the Korean peninsula and other issues.

In particular, as was shown in PPD President Kim Tae-chung's visit to Hungary and RDP President Kim Yong-sam's visit to the Soviet Union this year, the other two leaders of the opposition parties were eager to carry out the northern diplomacy. However, only President Kim chose the United States and Japan to visit. In this way, he fully expressed his intention to favor a southward train, not a northward train.

Maintaining a more conservative stand on North-South exchange and a northern policy than the DJP, President Kim has stressed, "It is not desirable to neglect old friends in order to make new friends." President Kim once said, "We enjoy an enormous surplus amounting to \$8 billion a year in our trade with the United States.

However, we are trying to invest this money in developing Siberia in the Soviet Union, which is hostile to the United States. It is a breach of international trust." In this way, he has so far very cautiously watched the government's pursuit of exchange with the northern countries.

Moreover, during his meetings with major congressional legislators when he visited the United States last January, President Kim urged them to form a Korea-U.S. lawmakers' league.

When he was visiting the United States last June, he visited St Louis and Fort Worth and inspected McDonnell Douglas and General Dynamics, which are famous for the production of F-16's and F-18's and other ultra-modern aircraft in the aviation and space industry. It is believed that he paid such a visit with the prior tacit consent of high-level officials of the government. Also, whenever the issue of withdrawing the U.S. forces is raised, he unhesitatingly and flatly says, "No."

It is pointed out, anyway, that the most important thing he got from his U.S. tour is the U.S. side's demand with regard to the political situation. It is clear that consolidating President No's position and pursuing democratization in Korea, while curbing the pursuit of the northern policy, is what the U.S. side needs most.

What the U.S. side hinted to President Kim over the operation of the political situation can be summarized as follows:

Because Korea has undergone a different political developmental process from the West European countries and because, just as in Japan, a collusion between political and economic sectors is very evident in Korea, Korea must model itself after the style of Japan's Liberal Democratic Party. However, because it will give rise to side effects if the political circles are reorganized physically, it is better to carefully watch how public opinion is formulated and wait until the circumstances for such a reorganization have matured.

President Kim has so far assumed a wait-and-see attitude toward how President No Tae-u is pursuing democratization. It was learned, however, that President Kim considers it the will of the U.S. side for him to form a partnership relation with President No in connection with lawmaker So's case and the political situation with regard to public security affairs, thus helping President No.

What DJP Chairman Pak Chun-kyu said in Canada is considered relevant to this. He hinted that President Kim's recent moves are the second of the three-stage reorganization of the political circles.

No doubt, it seems, his visit to the United States exercised an influence on President Kim's moves, which clearly show his formula of how he, who states that it is

inevitable to revise the Constitution in favor of a cabinet system and who stresses that it is too early to do so, will handle the political situation.

It is worthwhile to think over again the fact that some people point out that in view of the fact that a political style espoused by President Kim is closely related to the interests of the U.S. side, his moves will be a big variable in how the political situation will develop.

Teachers Continue Struggle for Trade Union

Recognition of Union Urged

SK2207053189 Seoul HANGYORE SINMUN
in Korean 19 Jul 89 P 3

[Editorial: "The Government Should Recognize the National Teachers Trade Union and Hold Dialogue With the Union—The Government-Controlled Korean Federation of Education Associations Cannot Settle Problems Arising in the Education Field"]

[Text] In the course of creating and reforming, there always exist throes and shocks. Therefore, we need not seriously worry about or pay too much attention to such throes and shocks. In reforming the present education structure and in surmounting various contradictions and problems existing in the arena of education, we are destined to meet throes and shocks. If the practical efforts for educational reforms are frustrated by the authoritarian forces' oppression, this is precisely what the people should worry about and pay attention to.

Since the National Teachers Trade Union [NTTU] was formed last May, disputes surrounding the education problem have rapidly spread throughout the country. The government has maintained the hard-line stand that it will not recognize the existence and position of the NTTU. The government has arrested those teachers who played the leading role in forming the trade union. It has dismissed, expelled or issued disciplinary warnings to over 100 teachers. The Ministry of Education has declared that it will take disciplinary action against some 5,000 teachers if they do not resign from the trade union by 15 July.

The teachers' struggle for "education for nation, democracy, and humanization" has fervently continued in defiance of the government's brutal suppression. Although most of those teachers who played the leading role in forming the teachers' trade union have been arrested, the NTTU has gradually organized its branches and sub-branches throughout the country in defiance of all sorts of hindrance and obstruction by the authorities and school authorities and without being daunted by the authorities' threat. As a result, the number of members of the trade union has reached more than 20,000.

The NTTU, as an expression of its protest against the government's suppression, held a "pan-national rally to win the legality of the NTTU" in Yoido, Seoul on 9 July. From 10 to 14 July, more than 5,000 teachers from 590 schools staged a hunger strike and sit-in-struggle.

On the other hand, students at more than 100 junior and senior high schools throughout the country staged sit-ins or demonstrations calling for the withdrawal of the government authorities' disciplinary action imposed on their teachers. Some schools have closed for summer vacation ahead of schedule in a bid to prevent such a serious situation from being further aggravated. Parents of students, too, launched a signature campaign against the government authorities' disciplinary action imposed on the teachers who have joined the NTTU. Even the "parents' association for genuine education" has been organized in many areas. In addition to this, the "National Consultative Council of Unappointed Teachers" has come to support the struggle of the NTTU.

Despite the fact that today's education is faced with a serious crisis, the present regime has still failed to present any constructive policy or measures to settle the current serious situation in the education field and to launch epochal reforms in education.

On 14 July, the government and the Democratic Justice Party made public a "bill of the special law on promoting the position of teachers and improving the education environment" on the justification to "minimize the controversial issue of the NTTU which is expanding throughout the country and to improve the welfare of teachers." The content of the bill, among other things, states that the government-controlled Korea Federation of Education Association is given the right of consultation, that the independent "petition examination committee" is established in the Ministry of Education to examine the petitions submitted by private school teachers, and that the welfare of teachers is promoted through the rearrangement of the current teachers' wage and step system.

The government and ruling party are now pushing for the legislation of a special educational law in a hurry. How can this be explained? By drafting this bill—a special law in name only, one that is basically based on the backbone of the existing educational laws, which the public call undemocratic and evil, and which they want to see revised—and laying it before the National Assembly, the government and ruling party have laid bare their intention to keep the undemocratic and authoritarian educational structure and order in place. The fact that this bill recognizes none of the teachers' three labor rights, while granting the Korea Federation of Education Associations the right to negotiate, can also be interpreted as an expression of the government's intent to keep its old educational policy in place. The Korea Federation of Education Associations has constantly been criticized as a government-sponsored organization since its founding in 1947 in the name of the Federation

of Education Associations of Korea, and it has played a great part in serving the successive dictatorial regimes, which abused education as an instrument for governing. The present regime's policy to allow the Korea Federation of Education Association to speak for teachers is the same as manifesting its intention to tread in the steps of the previous dictatorial regimes, which used education to serve their own interests. Moreover, not only does the special educational law ignore the will of the teachers who want to make education an independent and specialized institution run according to democratic principles, but it also turns its back on the demands of the teachers expressed in the NTTU's proposal for collective agreement.

For this reason, the government and ruling party should revoke the idea of legislating a special educational law, as a matter of course. Instead, the government and ruling party should make haste with the revision of the existing educational laws in a way that removes the contradicting aspects of the laws as a whole. A correct definition of educational ideals and goals; guarantee of the teachers' basic civil rights and the rights they are entitled to as educators, an exclusion of the government's intervention in the private schools, an improvement in the working conditions for the teachers and the educational environment as a whole, and the removal of discrimination against teachers should be made the central tasks in revising the educational laws.

The government should seek to have talks with the executive body of NTTU, while taking steps designed to reform the educational structure and educational environment. The NTTU officials have recently said that they were giving serious consideration to giving up one of the three labor rights, namely the right to collective action, while urging the educational authorities to respond to their proposal for dialogue. The government authorities should realize that their refusal to accept what has already happened could lead to a catastrophic situation from which it is impossible to emerge unscathed.

Teachers Face Dismissal; Plan Rally

SK2207070689 Seoul YONHAP in English 0608 GMT
22 Jul 89

[Text] Seoul, July 22 (YONHAP)—More than 1,000 South Korean teachers face dismissal next week for belonging to the outlawed National Teachers' Union.

The Education Ministry says it will relieve the over 1,000 teachers, referred to the disciplinary committee, of their jobs in stern punishment for the union's activities over the past few months.

The ministry had been delaying the decision because it feared resistance from other teachers and students, but apparently acted on Saturday because all schools begin the summer vacation over the weekend.

"The problematic teachers could affect their colleagues unless punished and the decision prevents from unrest among students as vacation starts from today," a ministry official said Saturday.

The union, calling for democratic reforms in Korea's education system, was set up despite repeated government warnings that it was illegal and is struggling for recognition.

The ministry rejected the union's proposal for dialogue and moved to lay-off of teachers affiliated with the union, saying they have broken the law, which bans union membership among civil servants.

As of Saturday, 4,655 of Korea's 300,000 teachers in public and private schools throughout the country are members of the union and 6,002 have left the union on the ministry's advice, according to the ministry, which also said 348 schools have union chapters while 125 chapters have closed down.

The union will rally at Myondong Cathedral in downtown Seoul Saturday afternoon to denounce the government crackdown as well as to demand the release of leading union members now behind bars.

So far, 40 teachers were jailed and 138 others were expelled from schools for their leading roles in the union.

The police say they will allow an indoor rally but will keep the protesting teachers and their sympathizers from taking to the streets. Some 2,600 riot policemen will be deployed around the cathedral in downtown Seoul.

Some 3,000 teachers, their families, students and dissidents are expected to take part in the rally.

The union has announced it will launch a street battle to obtain its recognition in solidarity with other dissident groups sympathizing with its cause if the government rejects its proposal for dialogue by Monday.

Teachers, Dissidents Join Forces

SK2507015389 Seoul THE KOREA TIMES in English
25 Jul 89 p 3

[Text] Unionized teachers, entering a 10-day-long sit-in protest in the precincts of Myongdong Cathedral in downtown Seoul, are determined to gain legality for their union activities by launching a full-fledged struggle jointly with dissident groups and university and high-school students.

Union leaders said at a press meeting yesterday all-out war would be unavoidable to counteract the government's mass crackdown aimed at teachers still refusing to withdraw from the National Teachers Union.

"Whatever the cost, we, the unionized teachers, will struggle to win legitimacy for our union movement," said Kim Man-ho, acting chairman of the union. He also denounced the government's warning to "get all the union member teachers punished with dismissals or suspension from school."

The ministry warned last Saturday the nation's 16 education districts to take action against the unionized teachers, rejecting the NTU's repeated proposals of dialogue and moving on the massive crackdown.

As of yesterday, an estimated 4,655 teachers have still refused to draw back from the confrontation.

As the unionist teachers have joined forces with dissident groups and students at secondary schools, their joint struggle may plunge the nation's secondary education into a great crisis.

Students at Seoul-based high schools tried in vain to hold a rally to inaugurate their student organization at Sogang University because of a police blockade.

Police sealed off the university to abort the scheduled rally.

It was the second attempt to inaugurate "Sogohyop" the Council of Seoul High School Students. Their first attempt to gather at Songgyungwan University last Saturday was also aborted because of the police ban.

But high school students joining their teachers' sit-in protests said they would form a nationwide student organization, almost equal to that of university students.

The group protests by high school students have developed into violent clashes with riot police.

In Kwangju, nine high school students were booked without physical detention yesterday in connection with their street demonstrations against the crackdown on their teachers.

They were detained last Saturday after attending a rally at Chonnam National University. They allegedly wielded steel pipes and hurled stones against riot troopers after the rally.

It was the first legal action taken against high school students involved violent demonstrations.

Group protests are also stemming from senior students at teachers colleges who pledged to boycott scheduled recruiting in September in sympathy with the union organization by teachers at primary and secondary schools across the country.

A group of teacher aspirants waiting to be employed are also determined to boycott the government's "make-shift" policy to have them take over from trouble-making unionized teachers.

An estimated 15,000 graduates of public and private teachers schools are on the waiting-for-employment list.

As of yesterday, 6,450 teachers had withdrawn from the union.

The number of teachers' cases pending at the disciplinary committees was 1,170. One hundred and sixty-one teachers have been sacked or suspended from school for their illegal union activities.

Union Declares 'All-Out Struggle'

SK2607083589 Seoul YONHAP in English 0755 GMT
26 Jul 89

[Text] Seoul, July 26 (YONHAP)—The outlawed National Teachers Union has turned up the heat on the government, declaring an all-out struggle for recognition and against the Education Ministry's eventual expulsion of union members from schools.

Union leaders, in a news conference Wednesday morning, said they will launch struggles to resist the firing of union members, disrupting meetings of disciplinary committees convened to punish teachers affiliated with the illegal union.

The union will not shrink from physical resistance to protest the punishment of members and may expand a campaign to boycott the payment of tuition fees that is under way in some areas, they said.

A nationwide rally to support the union and sit-in protests at opposition party headquarters are under consideration, they said.

The new level of confrontation is in reaction to the Education Ministry's rejection of the union's proposal for dialogue on the grounds that the government cannot respond to any suggestion from the union until it is disbanded.

The law bans teachers and other civil servants from organizing a union. The union was set up in late May by progressive teachers calling for democratic reforms in the country's education system.

A few provincial chapters of the union started sit-in protests Tuesday and most other chapters will join Wednesday, the union leaders said.

At some schools in Seoul Tuesday, union members, their families and students closed down meetings of disciplinary committees by force and clashed with riot police.

In Kwangju, police entered five high schools to disperse students who were reportedly about to hold rallies to support their teachers affiliated with the union.

Schools have been punishing union members in response to a directive from the ministry, which has called for completion of punishment by Aug. 5.

Under the order, disciplinary committees have imposed punishment without giving accused teachers a hearing.

In Seoul alone, 376 teachers face punishment and 1,100 face eventual dismissal in other cities and provinces if they persist in defying the ministry's repeated appeal for quitting the union.

Political parties, concerned about the spiraling dispute over the teachers' union, held a meeting of chief policy-makers early Wednesday but failed to agree on any solution.

The No. 1 opposition Party for Peace and Democracy and the No. 2 opposition Reunification Democratic Party suggested that a group be set up to organize and to negotiate but without the right to engage in collective acts. This is a watered down version of an earlier proposal for the two rights to be given to the National Teachers Union.

But even the new proposal was rejected by the Democratic Justice Party and the minor opposition New Democratic Republican Party, which refuse to recognize any body save the Korean Federation of Education Associations, a fraternity of teachers that activists attack as undemocratic and pro-government.

Hayang University Labor Unionists Sentenced

SK2107031289 Seoul THE KOREA TIMES in English
21 Jul 89 p 3

[Text] Chief of Hanyang University Hospital Labor Union Cha Su-yon, 30, was sentenced to one year in prison with a stay of two years yesterday for violating the Labor Dispute Arbitration Act in connection with the hospital's prolonged labor strife.

The union's deputy chief Yi Kil-hyong, 34, was given a 10-month term with a stay of two years and secretary general Chang Yong-chu, 25, one year with a stay of two years, all by judge So Ki-sok of the Seoul District Criminal Court.

Japanese Minister Briefs Ministry on Paris Summit

SK2107102889 Seoul YONHAP in English 0718 GMT
21 Jul 89

[Text] Seoul, July 21 (YONHAP)—Japanese Deputy Foreign Minister Michihiko Kunihiro briefed the South Korean Foreign Ministry on the Paris summit of the Group of Seven industrialized nations Friday.

During the July 14-16 talks, Japan told the Western nations to refrain from putting excessive burdens on South Korea and other newly industrializing nations, the Japanese official reportedly told Vice Foreign Minister Sin Tong-won.

Japan also called on the Western leaders to give a positive appraisal of contributions by the industrializing countries to the world economy, the Foreign Ministry quoted Kunihiro as saying.

Prime Minister Sosuke Uno participated in the Paris meeting and Kunihiro flew to Seoul Friday afternoon as his special envoy to explain the results of the summitry to Seoul.

Kunihiro is scheduled to meet with chief presidential secretary Hong Song-chul and other government officials before he returns to Tokyo Sunday.

Trade With Communist Countries Growing Steadily
*SK2107042089 Seoul YONHAP in English 0216 GMT
21 Jul 89*

[Text] Seoul, July 21 (YONHAP)—Trade between South Korea and communist countries is making steady headway, although volume remains small, reaching 632 million U.S. dollars in the first quarter of the year.

Exports rose 44.4 percent over the January-March period a year earlier to 163 million dollars and imports soared 47 percent to 469 million dollars, according to government statistics.

Despite the lack of diplomatic relations, China was Seoul's No. 1 trade partner among communist nations with 119 million dollars of imports, up 55 percent from a year earlier, and 380 million dollars of exports, up 39.6 percent.

The Soviet Union imported 6 million dollars worth of goods from Korea, up 11 percent, while exporting 65 million dollars worth, up 114 percent.

Trade with other communist bloc nations, including East Europe and Vietnam, registered a similar increase. During the first four months, Yugoslavia's exports to Seoul grew more than seven times a year earlier to 8 million dollars, and imports amounted to 9.1 million dollars, more than double.

Analysts here say growing trade with communist nations shows bilateral trade is in the "full-fledged stage" after a test period because of the Seoul government's diplomatic initiative called "northern policy." South Korea has diplomatic ties with only one communist nation, Hungary.

Burma

Opposition Leaders Remain Under House Arrest *BK2607072289 Melbourne Overseas Service in English* *0600 GMT 26 Jul 89*

[From the "International Report" program]

[Text] Reports from Myanma, formerly Burma, say several opposition politicians have been released from detention but the country's two main opposition leaders remain under house arrest. Security remains tight in the capital, Yangon [Rangoon], under the martial law crackdown, and international telephone and telex links have been cut off for 6 days. Tony Hill reports from Bangkok that there is no sign of any easing in the crackdown by the military government despite the reported release of some detainees.

[Begin Tony Hill recording] Western diplomats in the capital, Yangon, formerly Rangoon, say some of the more than 40 members of the main opposition party arrested last week have now been released. However, most of the detainees from the party—the National League for Democracy—were still being held. The party leaders, Aung San Suu Kyi and Tin U, are being detained under a law allowing their house arrest for up to 1 year or more.

The reports reaching Bangkok from Western diplomats say life is continuing as normal in the capital following the martial law crackdown. But barricades are still up on major roads and thousands of troops remain posted throughout the city. Reports say two divisions are now stationed in the capital to enforce martial law.

State radio has announced that secondary schools will reopen the middle of next month. All schools and universities were closed a year ago amid nationwide students-led pro-democracy demonstrations that were crushed by the coup last September.

Primary schools reopened last month but there is no word on when the universities will resume classes. The present martial law crackdown appeared aimed at suppressing dissent as the country marks a number of potentially volatile political anniversaries.

State Radio says the British husband of opposition leader Aung San Suu Kyi, Michael Aris, has joined her and their two sons at the family home in the capital.

Aung San Suu Kyi and Tin U cannot leave their homes, and they have been forbidden contacts with all but their immediate families. Family members can leave the family compound but only under guard and are forbidden to contact foreign embassies or political parties. The wife of Tin U has reportedly been seen shopping at a market under armed guard.

The military government accused Aung San Suu Kyi and Tin U of trying to endanger the state by sowing disunity within the Army and nurturing public hatred of the military. Diplomats in the capital, Yangon, say it is now widely believed that full authoritarian ruler Ne Win ordered the arrest of the two opposition leaders. Ne Win ruled the country for a quarter of a century before stepping down last year amid growing public unrest. However he is believed to have maintained his power behind the scenes during the uprising for democracy that followed and the subsequent coup in September that crushed (?the uprising).

Aung San Suu Kyi has criticized Ne Win and repeatedly called for the lifting of martial law restrictions on freedom of speech, movement, and assembly. However there has been no slackening of the government's martial law hold.

International telephone and telex lines have now been cut for more than 6 days. The government appeared determined to hold the [words indistinct] during the present period of potentially volatile political anniversary [end recording]

Commentary Evaluates Current Situation

BK2507094389 London BBC World Service in Burmese
1445 GMT 24 Jul 89

[Commentary by (Derek Brokewell)]

[Excerpts] A year ago, U Ne Win, who had ruled Burma for the longest period in Southeast Asia, resigned from his post. In his resignation speech U Ne Win spoke of economic and political freedom. However, 1 year after this event, the situation in Burma remains tense and bleak. BBC commentator, (Derek Brokewell), comments on this as follows:

The current situation in Burma—marked by complete repression, a communist-like government, and even practices reminiscent of the Chinese Cultural Revolution—may be somewhat familiar to an East European correspondent. Newspapers are full of slogans and propaganda. A year after massive antisocialist demonstrations, law and order is maintained by troops backed by secret police, while political detainees are subjected to torture and are told that leniency will be given only upon a complete confession.

The major opposition leader, Daw Aung San Suu Kyi, has called for freedom of speech, freedom of organization, and the release of political prisoners. Last week, she was put under house arrest by the government. These actions are just like the measures taken against the opposition during the Mao Zedong era. Utmost efforts are being made to oppose Daw Aung San Suu Kyi. International telephone links remain cut off and widespread arrests are being carried out behind the screen of democracy. While these are nothing new, what is

remarkable is that the government continues to claim with complete sincerity that they are paving the way toward democracy and that Daw Aung San Suu Kyi and her party are communists.

The impasse in Burma today lies in a difference of opinion between the military authorities and the majority of the people. Both sides think they are right and will not accept the other side's views. The Defense Services have repeatedly claimed that they had no choice but to assume power as the situation in the country was still unstable 2 months after U Ne Win resigned from his post. They claim that the Defense Forces are not under the influence of any person and that they are an independent force. Possibly, the Defense Forces believe that it is reasonable to claim that they intervened to keep the situation under control while preparations are made to hold multiparty general elections. [passage omitted]

While the opposition is likely to acknowledge that there has been a change in leadership, U Ne Win continues to remain in power behind the scenes. There are suspicions about what extent the former leader intervenes in policy matters and what role he is playing. However, many believe that those on active military duty and those who have retired from the military service remain loyal to him. [passage omitted]

The government's claim that the National League for Democracy [NLD] is a communist organization has confused people. This claim was made to make the NLD unacceptable to the people. Charges of sexual offenses and acts of terrorism have also been hurled at the opposition. However, these accusations have been rejected by the people. General Saw Maung also likens Daw Aung San Suu Kyi's frank style of speaking and operation to that of the communists. [passage omitted]

The current Myanmar leaders are very much hurt by the fact that the people do not appreciate or recognize their efforts and achievements. The people have their own valid reasons. [passage omitted]

While the Defense Forces' attempts to build the country's economy have been laudable, they have been unable to prove to the people or convince them that they are not killing and suppressing the people on behalf of the old rulers, but that they are serving the people. Had the military authorities been politically discreet according to the modern political norm, they would have decided to form an interim government composed of suitable persons from among the opposition politicians. In doing that, they would have been able to sustain their popularity until elections were held and quietly hold on to the balance of power and prove their good intentions. They would also be popular with the people. However, historical records cannot be rewritten, except for the government's controlled papers. (Derek Brokewell) comments that it is difficult to see how they can escape the people's opposition and the cycle of repression.

Brig Gen Tin U Discusses 'High' Rice Prices

BK2207101589 Rangoon Domestic Service in Burmese
1330 GMT 21 Jul 89

[Excerpts] At 1400 today Brigadier General Tin U, secretary-2 of the State Law and Order Restoration Council [SLORC], and Colonel Abel, minister of trade, have attended a meeting at the Yangon [Rangoon] City Hall to coordinate the distribution and sale of rice.

Brig Gen Tin U delivered an address at the meeting. [passage omitted]

He discussed the reasons for the unprecedentedly high price of rice. He said one of the causes is the activities of one of the political parties which has caused panic among the people and made them buy and hoard more rice than necessary. Merchants have also exploited the situation by hoarding rice. Therefore, he said, we will have to work toward eliminating incorrect political activities which cause anxiety and panic among the people and make prices rise. The people are urged to cooperate, he said.

He added that rice would be sold under a new system. He said the state will not export rice which has been bought from the farmers, but will distribute it to bring relief to the people.

He noted that the state is currently selling 9,440 tons or 188,800 sacks of rice to public servants monthly and that 15,540 tons or 310,800 sacks of rice are sold monthly through basic cooperatives to daily wage earners. He said that under the new system more rice will be distributed to bring relief to the people and to bring down rice prices. Under the new system, 20,160 tons or 403,200 sacks of rice will be sold monthly at 6 kyat per pyi [about 1/4 bushel] from 24th July. Therefore, he said, the people should not be anxious as they will be able to buy rice without anxiety.

Under the new system, the state will sell 29,600 tons or 592,000 sacks of rice monthly to the public, including public servants. [passage omitted]

He said plans have been made by the Ministry of Industry-2 to sell noodles and wheat to the public at reasonable prices.

Next, Trade Minister Abel spoke, saying that the state had been solely in charge of the rice and paddy trade since 1962. However, restrictions have been lifted under the SLORC in accordance with its trade policies to allow free trade. Since that time, there has been free trade in rice and paddy. However, due to various reasons, the price of rice has been rising. That is why we are intervening in the interests of the people and in accordance with our third task of bringing relief to the best of our ability to the people's need for food, clothing, and shelter and to enable the private sector and cooperatives to assist as much as possible.

He said there will be absolutely no sale of rice abroad from the rice stocks of the trade ministry. He said measures have been taken to sell such rice from the stock to the general public as part of a supplementary program in early July. Under the plan, rice will be sold at 6 kyat per pyi from 24 July through basic cooperatives shops in Yangon Division. Plans have also been made to sell rice in other states and divisions. [passage omitted]

More Inmates Released From Jail, Work Camps

*BK2307082189 Rangoon Domestic Service in Burmese
1330 GMT 22 Jul 89*

[Text] As of 1700 today, a total of 102 more inmates had been released from the Insein Central Jail in accordance with Order No 4/89 of the State Law and Order Restoration Council on 20 July 1989. The released inmates were lectured by Colonel Zaw Min, director general of the Corrections Department. Before they were sent to the railway station and jetties concerned, each inmate was given a longyi [sarong], a T-shirt, a pair of slippers, and a towel.

Similar releases are also being made at different work camps and prisons all over the country. As a result, 84 inmates from Camp No 1 and 78 inmates from Camp No 2 of the Hlehlaw-In piggery center in Hlegu Township, Yangon [Rangoon] Division, were also freed today.

Members of Student Battalion at Border Surrender

*BK2207122889 Rangoon Domestic Service in Burmese
1330 GMT 21 Jul 89*

[Text] More members of various insurgent organizations who have come to realize their wrongdoing have been surrendering.

In the Northern Military Command, Lance Corporal Myint Htay and Privates Thein Aung, Aung Tun Myint, and Khin Zaw from 1st Platoon of the 3d Company of the 701st Student Battalion of the students at the border who are operating with the KIA [Kachin Independence Army], surrendered on 12 July through the Bhamo Township Law and Order Restoration Council. Those who surrendered were warmly welcomed by authorities concerned.

More Insurgents Surrender

*BK2307143589 Rangoon Domestic Service in Burmese
1330 GMT 23 Jul 89*

[Text] People belonging to various insurgent organizations who have come to realize the error of their ways have been surrendering with assorted arms and ammunition at a number of army camps. The following surrenders were reported recently:

Northeast Military Command: Hla Thu, Kyaw Kyaw U, Myat Soe Tun, and Aung Naing, alias Maung Shan, all of whom are organizers for the youth insurgent group at the

border and have been operating together with the SSA [Shan State Army] insurgents, surrendered through the Tangyan ward law and order restoration council on 17 July.

Those who returned were warmly welcomed back by the responsible officials.

Brunei, Malaysia & Singapore

Malaysia

PRC's Yao Yilin Receives Trade Delegation

*BK2607063589 Kuala Lumpur International Service
in English 0600 GMT 26 Jul 89*

[Text] Chinese Vice Premier Yao Yilin has described Malaysia as a true friend in time of need. He said top priorities should be given to the development of Sino-Malaysian trade. He pointed out that China appreciated the stand taken by Malaysia in that it had regarded the recent sociopolitical turmoil in the Republic as an internal matter. Mr Yao assured that China's open-door policy and economic construction would continue albeit at a slower pace. He predicted that China's economic growth would slow down to about 7 percent this year against 17 percent in 1988.

Mr Yao was responding to a call by Malaysian Trade and Industry Minister Datuk Sri Rafidah Aziz that China should [word indistinct] its raw materials from Malaysia and also accelerate direct trade between the two countries. Datuk Sri Rafidah, who is leading a 30-member Malaysian trade mission on a week's tour to China, called on Mr Yao in Beijing.

The Malaysian team is the first official delegation from Southeast Asia to visit China after the Tienanmen incident, which erupted in early June. Datuk Sri Rafidah expressed the hope that China would not allow the Tienanmen incident to slow down the economic cooperation between Kuala Lumpur and Beijing. China had assured that it would buy more Malaysian palm oil and other commodities.

Minister Defends 'Firm Stand' on Drug Offenders

*BK2407110189 Kuala Lumpur International Service
in English 0800 GMT 24 Jul 89*

[Text] Malaysia stands firm by its decision not to compromise in dealing with drug offenders, including foreigners. Deputy Home Minister Datuk Megat Junid Megat Ayob said those found guilty will not be pardoned or escape punishment under the Dangerous Drugs Act. The government will not bow to appeals from foreign groups to reverse decisions imposing severe punishment on foreign drug offenders.

Datuk Megat Junid added that although the government realizes that its firm stand may result in Malaysia being discriminated against by foreign governments whose

citizens are sentenced to death, it will stand firm—as the nation does not want the drug scourge to continue to pose a threat to its future generations.

Singapore

Hun Sen Blamed for First Failure at Paris Talks
BK2507113089 Hong Kong AFP in English 1053 GMT 25 Jul 89

[Excerpt] Singapore, July 25 (AFP)—Singapore launched a stinging attack Tuesday on Hun Sen, leader of the Hanoi-backed government in Phnom Penh, blaming him for the failure of talks in Paris Monday with Prince Norodom Sihanouk.

A Foreign Ministry spokesman said that if Mr. Hun Sen were sincere in seeking an end to the Cambodian problem, he should make the effort to join Prince Sihanouk and the other Cambodian factions in a provisional quadripartite government.

Mr. Hun Sen's proposal for a ceasefire "is only intended to strengthen his regime. Such attempts to cling to power at any cost risk the prolongation of war and conflict in Cambodia," the spokesman added.

He was reacting to talks under way in the French capital among the warring Cambodian factions, ahead of an international conference on Cambodia opening in Paris on Sunday.

Mr. Hun Sen and Prince Sihanouk met Monday, and their two factions were being joined Tuesday by Prince Sihanouk's allies in the anti-Hanoi resistance: the Chinese-backed Khmer Rouge and forces loyal to former conservative premier Son Sann.

"Hun Sen's growing arrogance is responsible for the failure of the fifth round of talks with (Prince) Sihanouk," the spokesman said.

It was a "political fantasy" for Mr. Hun Sen to present himself as the equal of Prince Sihanouk, he held, adding: "Only Prince Sihanouk has the international and domestic stature to effect national reconciliation among the Cambodian people and heal the wounds of 10 years of war.

"Only Prince Sihanouk is not tainted with blood or betrayal," he said.

He held that Mr. Hun Sen had neither domestic nor international legitimacy. "Hun Sen is Vietnam's creature, planted in Phnom Penh by force of arms in order to advance Vietnamese interests," the spokesman said.

"If Hun Sen wants a place in Cambodia's future, he must morally and politically rehabilitate himself by shaking off his Vietnamese masters and, together with all other

Cambodian factions, seek a mandate from the Cambodian people through internationally supervised free elections," the spokesman said. [passage omitted]

Isolating Vietnam Considered Option

BK2607013589 Bangkok BANGKOK POST in English 26 Jul 89 p 4

[By Suphaphon Kanwirayothin in Singapore]

[Text] Singapore believes ASEAN will have to consider whether to revert to its old policy of isolating Vietnam if a partial settlement is the conclusion of the International Conference on Cambodia, scheduled to start in Paris on Sunday.

The island republic's view was made known by Foreign Minister Wong Kan Seng during talks yesterday with Deputy Foreign Minister Praphat Limpaphan.

Reliable sources told the BANGKOK POST here that Singapore's concern was prompted by "indications" from Paris following the initial talks between Khmer resistance leader Prince Norodom Sihanouk and Phnom Penh premier Hun Sen.

The Singapore Foreign Minister told Mr Praphat that Singapore hopes things will get better when the International Conference begins.

Talks between the prince, Hun Sen and two other resistance faction leaders, Son Sann of the Khmer People's National Liberation Front and Khieu Samphan of the Khmer Rouge, are under way in La Calle-St-Cloud in France.

Mr Wong will arrive in Paris on Saturday and plans to meet Foreign Minister Sitthi Sawetsila before the conference.

During his meeting with Mr Praphat, Mr Wong reportedly proposed that ASEAN call for a comprehensive solution to the conflict.

In case only a partial solution is agreed upon, the association should consider a future course of action.

If only a partial solution is reached, ASEAN should decide whether to continue with the old policy of isolating Vietnam in order to put pressure on Vietnam and Phnom Penh to come to terms with a comprehensive settlement, otherwise there would be no incentive for Vietnam.

Mr Praphat said that whatever ASEAN did, it would have to be a coordinated response and that the association would have to wait until the final results of the international meeting are known.

Mr Praphat also reportedly commented that ASEAN foreign ministers might hold an initial discussion on Singapore's position in Paris.

If necessary, ASEAN leaders would take up the issue.

Apart from Cambodia, Mr Wong and Mr Praphat discussed the possibility of holding the fourth ASEAN summit next year as proposed by the recent ASEAN foreign ministers meeting in Brunei.

Singapore believes that much is yet to be achieved regarding the implementation of intra-ASEAN economic cooperation, a major issue discussed during the third ASEAN summit in the Philippines, sources said.

However, Mr Wong added that it is up to ASEAN members to express their interest in having another summit and this could be discussed at the forthcoming "mini-summit" in Brunei early next month.

French Prime Minister Sends Message on Cambodia
BK2507105689 Hong Kong AFP in English 1036 GMT 25 Jul 89

[Text] Singapore, July 25 (AFP)—A visiting French official handed over a message Tuesday from French Prime Minister Michel Rocard to his Singapore counterpart, Lee Kuan Yew, focusing on Cambodian peace moves, officials said.

The message was given by French Deputy Defense Minister Gerard Renon to Singapore's first deputy prime minister, Goh Chok Tong, during talks Tuesday morning, the officials said.

They gave no details of the contents.

Mr. Renon was winding up a Southeast Asian tour ahead of the scheduled opening in Paris at the weekend of an international conference on Cambodia. The warring Cambodian factions met in Paris Monday and Tuesday.

Mr. Renon also saw Yeo Ning Hong, the second defense minister for policy and minister for communications and information, Tuesday after talks Monday with Foreign Minister Wong Kan Seng.

He was scheduled to leave for Europe later in the day. He had earlier visited Kuala Lumpur and Bangkok.

680 Thai Workers Scheduled To Arrive
BK2307051289 Bangkok BANGKOK POST in English 23 Jul 89 p 3

[By Suphaphon Kanwirayothin]

[Text] Singapore—Some 680 Thai workers, including 280 of those repatriated in March, are due to arrive here via Malaysia tomorrow morning.

Despite immigration problems with Malaysian authorities, who insisted they be informed two weeks in advance of any passage by Thai workers through Malaysia, the first batch left Bangkok yesterday morning.

The Malaysian authorities also insisted their immigration personnel could handle the transit of a maximum of only 600 Thai nationals a day.

However, Thai authorities notified Malaysia of the transit only a few days in advance.

The conditions set by Malaysia were actually an attempt by some corrupt elements to demand money "under the table", according to reliable sources.

These elements in the Malaysian immigration system were apparently seeking an unofficial fee of S\$10 [10 Singapore dollars] per head from each Thai worker, the sources alleged.

Each day, some 5,000 people, the majority of them Thais, pass through the Johore Baru checkpoint on their way to Singapore.

"Those who look nervous, like first-time travellers, are often asked to pay between 500-800 baht for their passage to Singapore," one source said.

Thai women, especially those suspected of being prostitutes, usually paid between 800-1,000 baht to travel through Malaysia to Singapore, the sources said.

Initially, 726 workers, 280 of whom were repatriated from Singapore and the rest newcomers processed by six Thailand-based agencies, were expected to arrive in Singapore.

But only 680 reported for departure from Bangkok yesterday.

Cambodia

General Tie Banh Receives Former Minister
BK2607092289 Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Jul 89

[Text] On 25 July at the 13 October Guesthouse, Comrade General Tie Banh, member of the Political Bureau of the party Central Committee, vice chairman of the Council of Ministers, and defense minister, received Chhnang Song, former minister of information and culture of the Khmer Republic regime and currently president of the Khemarak Sangkruos Association in the United States, who is on a trip to learn about the real situation in his motherland.

During the meeting, Comrade General Tie Banh told Chhnang Song about the Cambodian people's efforts to restore and build the motherland from scratch—the legacy of the Pol Pot regime. Comrade Tie Banh pointed

out that the maneuvers of all types of Cambodian reactionaries attempting to destroy the people's gains and peaceful life have been defeated and thwarted by the army, militiamen, police force, and people in every locality. The comrade stressed that only the Cambodian People's Armed Forces are capable of fighting the Pol Pot regime and preventing the genocidal regime from recurring in Cambodia. Concerning the search for a political solution to the Cambodian problem, Comrade Tie Banh specified that Samdech Sihanouk still demands the presence of the Pol Pot forces in the solution; this would lead to a deadlock.

Replying, Chhang Song profoundly thanked the party and government of the State of Cambodia for allowing him to observe the development and the situation in the country over the past over 10 years. He praised the leadership of the Cambodian party, government, and people which has stabilized the Angkor motherland and kept it blossoming. Chhang Song further said he had seen the new life of our people in a number of districts and provinces and, upon his return, will disseminate this truth among Cambodian compatriots abroad and get them to further contribute to building the motherland.

Lao Party Central Committee Delegates Arrive
BK2307082789 Phnom Penh SPK in English
1123 GMT 22 Jul 89

[Text] Phnom Penh SPK July 22—A delegation of the Commission for Organization of the Lao People's Revolutionary Party [LPRP] Central Committee led by its president, Oudom Khatthi-gna, alternate Politburo member of the LPRP Central Committee, arrived in Phnom Penh Thursday for a visit to Cambodia.

It was welcomed at Pochentong Airport by Mrs Men Sam-an, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and president of its Commission for Organization, and other senior party officials.

Political Bureau's Sar Kheng Visits Kien Svay
BK2607075989 Phnom Penh Domestic Service
in Cambodian 1300 GMT 25 Jul 89

[Text] On 24 July, Comrade Sar Kheng, member of the Political Bureau of the party Central Committee and chef-de-cabinet of the party Central Committee, visited authorities, people, and militiamen in Kien Svay District, Kandal Province, to study their situation and hear their demands.

When talking to people, Comrade Sar Kheng told authorities and people in Kien Svay District the results and a number of essential factors of the meeting between Comrade Hun Sen and opposing Cambodian groups, particularly the outcome of the fourth meeting between Comrade Hun Sen and Samdech Sihanouk. On the open policy of the party and state toward the people, Comrade Sar Kheng stressed that the second national conference

of cadres had put forward a number of policies in response to the people's desire, particularly the policy toward peasants. Furthermore, the extraordinary session of the First National Assembly changed the country's name, the national flag, and amended a number of articles of the Constitution to conform with the evolution of the situation in the country.

Comrade Sar Kheng stressed that at the end of September this year, all Vietnamese volunteer troops will be repatriated from Cambodia and during that phase, Cambodia's own forces will have to fully assume the tasks of building and defending the motherland. Therefore, cadres, state authorities, people, and militiamen in every locality should raise their spirit of unity and take part in building firm armed forces to ensure efficiency in defending the people and social and national gains.

Chea Soth Presents Diplomas to Students
BK2607081389 Phnom Penh Domestic Service
in Cambodian 1300 GMT 25 Jul 89

[Excerpt] On the morning of 25 July at the Institute of Economics, a ceremony was organized to present diplomas to 141 students of the second group of the first batch of students under the chairmanship of Comrade Chea Soth, member of the Political Bureau of the party Central Committee and vice chairman of the Council of Ministers. [passage omitted]

Speaking on the occasion, Comrade Chea Soth said all the students should firmly grasp and correctly implement the policies of the party and state by considering the real situation in their localities. In particular, they should continue to learn, carry out research, and draw working experiences to respond to the requirements of the progress of the country's economy.

SRV Attacks on Resistance Forces 'Intensified'
BK2607015589 Bangkok BANGKOK POST in English
26 Jul 89 p 1

[Text] Vietnamese attacks on Khmer resistance forces intensified yesterday in several areas along the Thai-Cambodian border as the meeting between leaders of the four warring factions in Paris seeking a political settlement broke up in disarray.

Vietnamese troops continued their attack on Khmer People's National Liberation Front (KPNLF) forces at Ban Nong Chan and Ban Non Mak Mun in Ta Phraya District of Aranyaprathet yesterday following a series of attacks between Aranyaprathet in Prachin Buri and Chanthaburi Province.

Since the weekend some 30 heavy artillery shells have landed in Thai territory. Eleven shells landed in Thai territory in Ta Phraya District yesterday forcing the evacuation of some 170 Thai residents.

Three border schools were closed and their 700 students evacuated, border sources told the BANGKOK POST.

Apart from the attack on the KPNLF, Vietnamese troops also attacked Khmer Rouge forces opposite Chanthaburi Province over the weekend forcing some 5,000 Khmer Rouge dependents to flee into Thailand.

On Sunday evening Vietnamese troops shelled a KPNLF position some 25 kilometres north of Aranyaprathet from 6.30 p.m. to about 9.30 p.m.

Shelling continued yesterday, forcing village headman Sa-nga Sithipon to evacuate some 170 elderly women and children on the Thai side to Ban Khok Mai Ngom, sources added.

District Public Welfare officials said that if shelling continues, it may be necessary to set up special camps to house Thai villagers.

Three schools each in Ban Non Mak Mun, Ban Nong Chan and Ban Khok Sung on the Thai side of the border were closed yesterday.

Despite the heavy shelling, border sources said only two KPNLF soldiers died. The KPNLF force, numbering only 200, have retreated further south to Ban Ang Sila and have asked for reinforcements.

Other border sources said yesterday that some 5,000 family members of Khmer Rouge resistance forces have fled across the border to Soi Dao sub-district of Chanthaburi since the start of heavy Vietnamese shelling on July 21.

About 300 Khmer Rouge family members crossed the border into Ban Sap Thali in the sub-district when Vietnamese troops started attacking resistance force positions on July 21, border sources said.

Thai rangers of the Chanthaburi-Trat task force tried to stop the refugees from crossing the border but failed, the source said.

On Monday, however, more Khmer Rouge dependents fled into Thailand and the number has already swelled to nearly 5,000, they said.

The refugees came from Khao Phanom Prik in Cambodia.

Before launching the attack on Khmer Rouge positions opposite Chanthaburi, Vietnamese and Heng Samrin troops distributed leaflets near the border areas warning Thai troops not to assist the resistance forces, they said.

The sources described the attack on Khmer Rouge positions as heavy, but said there were still no confirmed casualty figures.

Further fighting is expected opposite Tambon Khlong Luk of Aranyaprathet District, merchants in the area told the POST yesterday.

Thai merchants involved in trade with Heng Samrin forces said they were informed yesterday that trading would be suspended temporarily for three days starting yesterday.

The merchants were warned that a major sweep was about to begin against Khmer resistance forces.

The suspension of trade across the Khlong Luk area coincides with reports that some 350 Vietnamese troops arrived in Poipet from Sisophon District of Battambang Province on Monday.

Meanwhile Supreme Command Spokesman Narudon Detpradiyut said that heavy shelling of a civilian Khmer refugee camp at Site 8 contradicted previous statements by Hanoi that it wanted to see a ceasefire in Cambodia.

Lt-Gen Narudon said that the shelling in which three persons were killed and 18 others were wounded was a deliberate attack on a civilian camp which houses mostly unarmed children and women.

He said that the attack which was claimed by the Vietnamese forces to be a drive at armed resistance guerrillas indicated that Hanoi has not withdrawn 30 kilometres away from the Thai border as claimed.

He said that the increased use of military power by Hanoi was also a direct contradiction of Vietnam's repeated pledge to withdraw its occupying troops from Cambodia.

Activities in 2d Military Region Reported

BK2207051189 Phnom Penh Domestic Service in Cambodian 1200 GMT 21 Jul 89

[Text] Due to the efforts of all levels of the proselytizing movement throughout the country to closely cooperate with state authorities and mass organizations everywhere to disseminate deeply the lenient policy of the party and state among miserable families as well as among enemy ranks, many misled compatriots have successively returned to the people.

In the first half of 1989, the 2d Military Region received 628 misled persons who brought along 296 assorted weapons and a quantity of war materiel and documents. Along with proselytizing work, our armed forces and militiamen in the 2d Military Region also launched operations to ambush and wipe out the enemies, putting 499 of them out of action, including 198 killed, 205 wounded, and 96 taken prisoners; we also seized 124 weapons and a quantity of war materiel.

Dry Season Activities in Battambang Detailed

*BK2607084189 Phnom Penh Domestic Service
in Cambodian 1200 GMT 25 Jul 89*

[Text] In the 1988-89 dry season, the armed forces of Battambang Province put out of action 1,136 enemy soldiers, including 517 killed; captured 234 assorted weapons, 14 metric tons of ammunition, and 8 field radios; and destroyed 2 metric tons of ammunition.

In proselytizing work, in the past dry season the province received 678 returnees who brought along 504 assorted weapons. These results greatly contributed to the cause of defending the motherland and moving toward fully assuming every task in the future.

872 Returnees Received in Siem Reap Province

*BK2207050389 Phnom Penh Domestic Service
in Cambodian 1300 GMT 21 Jul 89*

[Text] In the first half of 1989, the party, state authorities, and mass organizations in Siem Reap-Oddar Meanchey Province received 872 misled persons who deserted enemy ranks and surrendered to the nation, bringing along 966 assorted weapons and a large quantity of war materiel, and various documents.

This result is due to the cooperation of the party, state authorities, and mass organizations in implementing well the six-point lenient policy of the party and state for misled persons and efforts to provide the returnees with favorable conditions to return to their families and enjoy rights and freedom like other citizen.

Military Activities Along Thai Border 10-15 Jul

*BK2307044389 Phnom Penh Domestic Service
in Cambodian 2300 GMT 22 Jul 89*

[Text] From 10 to 15 July, units of our armed forces along the Cambodian-Thai border launched a search and destroy operation, putting out of action 36 enemy soldiers, including 18 killed and 16 taken prisoners; 2 surrendered on the battlefield. We also seized 25 assorted weapons, 3 field radios, and a quantity of war materiel.

Armed Forces Strength, Ability Viewed

*BK2107023989 Bangkok BANGKOK POST in English
21 July 89 p 6*

[Jacques Bekaert article under the rubric "Cambodian Diary" and headlined "Will the CPAF Cope After VN Troops Go?"]

[Text] The Cambodian People's Armed Forces (CPAF, known previously as the Kampuchean People's Armed Forces or the Heng Samrin army) has been desperately trying to improve its fighting capacity in view of the forthcoming withdrawal of the People's Army of Vietnam (PAVN) troops. According to figures provided

recently to this correspondent when in Hanoi, by the end of this year the number of regular and provincial troops should go from 60,000 to 100,000 with an extra 120,000 village militia.

These numbers, a Vietnamese military source said two weeks ago, are those give by the Cambodian Ministry of Defence. Hanoi does not trust them blindly. And figures, when it comes to Cambodian armies, are to be handled with extreme care. Only the National Army of Democratic Kampuchea (the Khmer Rouge) abstains from giving away the number of their troops, probably because they understand something about political warfare.

Last December in Ho Chi Minh City, a Vietnamese general from the PAVN's political department said that the total strength of the Phnom Penh army was over 200,000, militia included.

A month later Hun Sen said the number had gone up to close to 400,000 (including 300,000 village militia). On June 20, the Cambodian radio broadcast from Phnom Penh that "the character of the people's war has been brilliantly displayed in the campaigns of the militia units mobilising millions of people to fight for the defence of their villages and communes."

Obviously the writer, identified only as "propagandist" by the station, got a bit carried away.

Western intelligence and military sources have been skeptical so far of reports by China and the various groups of the resistance that thousands of disguised Vietnamese troops will remain in Cambodia after September, posing as CPAF soldiers. "Any Cambodian can distinguish between a Vietnamese and a Khmer," explained one source.

Some have suggested that Khmer Krom, Cambodians born in south Vietnam, could be used as Vietnamese agents. But noted one Western source, "It would be politically dangerous for Hanoi to leave Khmer Krom with the CPAF, as they are generally considered hostile to the Vietnamese communist authorities. So the CPAF, more than likely, will be faced with the complicated task of protecting Cambodia from the resistance, especially the Khmer Rouge, all by itself.

It may get advice from Vietnam and the USSR. But, said another Vietnamese military source with combat experience in Cambodia, "We are not going to have our men die in Cambodia anymore."

At present the CPAF is receiving important supplies of weapons from both Vietnam and the Soviet Union, a fact not denied by Hanoi. Weapons, though, are not much unless you have capable troops to use them. The Lon Nol Army too, was at the receiving end of huge

amounts of equipment, and was certainly much better equipped than the present CPAF. At the end it collapsed in front of the guerilla warfare of the determined Khmer Rouge.

The main problem of the CPAF today is the crucial shortage of good commanders, a senior Vietnamese military source said. "The higher you go, the more the lack of experienced commanders is apparent." The Cambodian armed forces are divided into three large formations. The regular army, according to Vietnamese sources, comprises three brigades and a number of special regiments. It also includes a small navy and the embryo of an air force.

At 8 a.m. on June 20, the first squadron of MiG-21s navigated by Cambodian pilots arrived at Pochentong airport. They had trained for eight years, from 1980 until 1984 in the USSR, then in Vietnam. The welcoming committee was led by President Heng Samrin, with Chea Sim, General Bou Thang, Chea Soth, Mat Ly (all Politburo members) in attendance. The CPAF Commander-in-Chief, General Pol Saroeun (alternate to the Politburo and deputy defence minister) was also present.

Besides a squadron of MiG-21s, the Cambodian air force is equipped with a few old Chinese-made MiG-19s, captured from the Khmer Rouge in 1979.

The regional army is divided into provincial and district forces. The provincial forces are often seen as the backbone of Cambodian defence, its troops being better motivated than the regulars, because they are natives or residents of the province and may be more prepared to fight to protect their home and family. Each province is supposed to have at least a regiment, maybe a thousand men.

Village militia are,—in theory, volunteers. They receive one month's training, a rifle, usually an old AK-47, and a fistful of bullets.

Vietnamese military sources are only moderately confident in the capacity of the CPAF. They admit that so far the CPAF was little more than a supplementary force for the PAVN. It allows the CPAF to leave the initiative of the war to the PAVN. Like Western experts, Vietnamese military sources acknowledge that corruption is seriously damaging the CPAF's fighting spirit.

Sino-Thai businessmen trading with Cambodian officials have recently complained that the amount of bribes requested by the CPAF were getting out of hand. The CPAF traces its origins to the Khmer Issarak, a Communist armed group fighting French colonialism in the early Fifties.

The permanent exhibition at the Army Museum in Phnom Penh makes hardly any mention of any other Cambodian army—nine of the royal armies in the time of Sihanouk, and only a passing reference to the Lon Nol

Army, presented as no more than a puppet of the Americans—but insists on the expertise in guerrilla warfare of the present CPAF. It shows pictures of fallen resistance bases in 1984-85 and victorious CPAF soldiers, with very few indications of the major role played by the Vietnamese "volunteers" in the war since 1978.

On the occasion of the 38th anniversary of the CPAF, General Tie Banh, minister of defence and chairman of the Cambodian-Thai Trading Commission, sent its troops a message explaining that the enemy, "despite its defeats and weakness, has stubbornly resorted to every means in an attempt to topple the state power of our State of Cambodia."

"In the 1989 dry season," wrote the defence minister, "the comrades have arduously strived to continue expanding the combat traditions and the will to mastery and self-reliance, thus firmly defending our position of mastery along the border and inside the country and effectively ensuring security for the people."

Cambodian officials in border provinces admit that resistance activities are on the increase and that, without Vietnamese support, their troops may have to concede some of the land, which probably explains why Tie Banh noted that mastery notwithstanding, "the journey that we must continue remains complicated, tense, and difficult."

When welcoming the Cambodian pilots, President Heng Samrin told them that the fourth round of talks between Hun Sen and Prince Sihanouk had "opened prospects for settlement of the international aspect of the Cambodian problem."

But, he added, "in any case we should heighten our vigilance to deal with the enemy's perfidious manoeuvres by strengthening international solidarity." He reminded his audience that the new pilots had been trained in the Soviet Union and Vietnam.

Vietnam, though, is strained by its own economic problems and is revising its priority, and may be tired of "international solidarity."

Paper Hails International Seminar on Genocide
BK2607103589 Phnom Penh Domestic Service
in Cambodian 2300 GMT 25 Jul 89

[Undated PRACHEACHON editorial: "The World Sides With Us and Resolutely Opposes the Return of the Genocidal Regime"]

[Text] The danger of genocide imposed on the Cambodian people by Pol Pot is a danger for the whole of mankind. It was in this context that an international seminar on the phenomenon of genocide and the prevention of its return was held in Phnom Penh recently.

Distinguished delegates from the progressive international community, academics, religious representatives, diplomats, journalists, jurists, lawyers, prosecutors, historians, scholars, and so on as well as overseas former Cambodian personalities and overseas Cambodian compatriots from the United States, Sweden, France, Italy, Australia, India, Belgium, the FRG, Ireland, Thailand, Bulgaria, Cuba, the Netherlands, Japan, the Soviet Union, Vietnam, and Laos and representatives of various international organizations attended this international seminar and made active efforts to study, discuss, and research the phenomena of the genocidal regime and the prevention of its return.

All of the fair and balanced analyses of the phenomenon of genocide and the prevention of its return by various strata of the Cambodian people, such as lawyers, educators, health workers, artists, ethnic people, economists, and so on, greatly distressed, saddened, and enraged the delegates against the frightening crimes committed by the Pol Potists during the 3 years 8 months and 20 days of their misrule.

This international seminar was glaring evidence testifying to the resolute struggle of mankind against the return of Pol Pot's genocide to Cambodia as well as to this planet earth. At the same time, it also constituted a driving force that has brought support for the State of Cambodia and further enhanced the bonds of solidarity and friendship among the nations in the region and the world for peace and social progress in response to the common trend of the times.

Over the past 10 years, with a single-minded and earnest desire to see the Cambodian people live in peace and security free from the threat of the genocidal regime, the State of Cambodia has made many efforts to put forward a constructive and concrete peace proposal through its policy of national reconciliation and its seven-point position on the solution for the Cambodian problem, the withdrawal of Vietnamese troops next September, and the recent National Assembly endorsement of the declaration of the State of Cambodia's permanent neutrality. Comrade Chairman of the Council of Ministers Hun Sen's trip to Paris to meet with Sihanouk and the tripartite coalition is proof clearly showing our unswerving stance full of goodwill.

As for the opposition Khmer groups of the other side, they have not given up their backward view, seeking by all tricks to enable the genocidal Pol Potists to return to power. The fact that the Khmer Rouge leaders—such as Pol Pot, Nuon Chea, and Ta Mok who are notorious for slaughtering more than 3 million Cambodians—have successively announced their resignations from their important posts in the ranks of the Khmer Rouge is merely deception and fraud. In reality, this is only a ruse to fool other people and gain credit with the approach of the international forum on Cambodia in Paris.

Over the past more than 10 years, the Cambodian people who have been saved from the deep abyss of the genocidal Pol Pot regime and who are experiencing a rapid rebirth will never forget the great, priceless service rendered to them by the Vietnamese Army volunteers who sacrificed flesh and blood to liberate the Cambodian motherland from the danger of genocide.

The Cambodian people express deepest thanks to the distinguished delegates of the international community who have attended this seminar in the State of Cambodia and who have become true witnesses sympathizing with the Cambodian people over their suffering and misery under the genocidal regime. Our people warmly hail and fully support the appeal of the international seminar, for it is a most concrete and efficient measure to prevent the return to Cambodia of the genocidal regime. We firmly expect that all states, organizations, and peoples who cherish peace and justice in the world will actively and concretely contribute to preventing the return of the genocidal regime. It is vital that all governments stop providing weapons and military aid for the Khmer Rouge and cease giving them sanctuary. At the same time, all parties involved in the search for a peaceful solution to the Cambodian problem must oppose the presence of those who committed genocidal crimes against the Cambodian people in all solutions for the Cambodian problem.

As far as the Cambodian people are concerned, they are always determined to redouble efforts in the task to defend their own motherland by themselves. Together with the antigenocidal movement in the world, the Cambodian people resolutely oppose the recurrence of the genocidal Pol Pot regime in Cambodia with or without a political solution for the Cambodian problem.

Phnom Penh's Call for Neutrality Criticized
BK2307014189 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 22 Jul 89

["News analysis": "The Neutrality of the Puppets Is the Neutrality of Vietnam's Lackey and the Neutrality of Vietnam's Indochinese Federation"]

[Text] Puppet Hun Sen and the regime of the Vietnamese aggressors have been ordered to say that Cambodia has canceled its friendship with Vietnam and that Cambodia is now a neutral country.

This is a stinking proclamation. This is something that was decided and orchestrated by the Hanoi Vietnamese, masters of the puppets in Phnom Penh, to dupe the people. However, both master and lackey cannot fool anyone because:

1. There are over a million pure Vietnamese, disguised Vietnamese, hidden Vietnamese, and Vietnamese nationals who are committing aggression against and occupying Cambodia.

2. There are countless treaties and agreements between Vietnam and the Phnom Penh puppets, between the Soviet Union and the Phnom Penh puppets, between Laos and the Phnom Penh puppets, between Cuba and the Phnom Penh puppets, between Warsaw Pact countries and the Phnom Penh puppets, and so on. All this tightly binds the puppets to Vietnam and to the socialist Soviet alliance.

Therefore, the stinking words such as neutrality are not meant for Cambodia but for the communist Indochinese federation of Vietnam, Laos, and the Phnom Penh puppets through the so-called special friendship, special solidarity, and special brotherhood. People clearly realize that the announcement by Vietnam and its puppets to deceive others about the neutrality of the puppets' Cambodia is the weak point of Vietnam and its puppets, who have failed to extricate themselves from the battlefield of aggression in Cambodia and from the increasingly strong pressure of the international community, particularly at a time when the international conference on Cambodia in Paris is approaching.

Vietnam remains the aggressor and its puppets remain the same puppets and lackeys of Vietnam because these lackeys were born from Vietnam's ammunition. As long as Vietnam's ammunition still explodes, the smoke coming from the puppets still stinks. This is the so-called neutrality of the Vietnamese aggressors.

Indonesia

Alatas on Preparations for Cambodia Conference
BK2607090289 Jakarta ANTARA in English 0815 GMT 26 Jul 89

[Text] Jakarta, July 26 (OANA-ANTARA)—The Indonesian delegation to the International Conference on Kampuchea (ICK) will arrive in Paris earlier to discuss several matters connected to the final preparations of the conference with the host, France.

Foreign Minister Ali Alatas said after reporting to President Suharto on Wednesday that he and the Indonesian delegation are scheduled to leave the country Thursday night and are expected to arrive in Paris the following morning.

He said the early arrival of the Indonesian delegation in Paris was to meet the French Government's hope that Indonesia and France could take an opportunity for an exchange of ideas on matters to be discussed in the conference.

Indonesia and France have been chosen to co-chair the conference. Minister Alatas said the conference has been confirmed to begin on Sunday afternoon (July 30) [and continue] until the following day.

"If necessary it will be continued until August 1," he added.

The participants of the conference, according to Alatas, remain, up to now, limited to Kampuchea, Vietnam, Laos, the six member countries of the Association of Southeast Asian Nations, five permanent members of the UN Security Council, Australia, Canada, India, Japan, present and future Non-Aligned Movement leaders (respectively Zimbabwe and Yugoslavia) and UN secretary general.

"Just let's see," he said when asked whether there would be additional participants to the conference.

About the configuration of the Kampuchean delegation, Alatas said that it would be determined later on, but it has been confirmed that Minister Ali Alatas said that the conference would later be continued with a meeting of senior officials who would be divided into three working groups.

The first group will be assigned to discuss the related problems and aspects of the mechanism of international observation.

The second group will discuss other problems relating to the overall settlement of the Kampuchean question, for example, how to stop arms assistance from outside and how to prevent the past genocidal practice in Kampuchea.

The third working group, meanwhile, will discuss the future projection, such as ways to reach an agreement on the rules for the return of refugees and how to recover the Kampuchean economy.

Asked about the impact of the result of the talks between Prince Sihanouk and Prime Minister Hun Sen and among the four Kampuchean factions on July 24 and 25 on the upcoming conference, Minister Ali Alatas said it had never been imagined that the failure of the talks could influence the conference.

Alatas on Significance of Hun Sen-Sihanouk Talks
BK2607074489 Hong Kong AFP in English 0701 GMT 26 Jul 89

[Text] Jakarta, July 26 (AFP)—The outcome of talks between Cambodian resistance leader Prince Norodom Sihanouk and Phnom Penh Prime Minister Hun Sen in Paris will not influence an international conference on Cambodia beginning Sunday.

"Even from the beginning, there has been no thought that not-so-successful talks (between the warring Cambodian factions) will influence the conference," Indonesian Foreign Minister Ali Alatas said Wednesday after seeing Indonesian President Suharto.

Mr. Alatas commented that it was only press reports which said the talks had failed and people should not be "too hasty" in writing them off.

"It has been projected since the beginning that there would possibly be a need for further talks. While the conference proceeds, the four (Cambodian) factions can still meet and I think this is what will happen," he said without elaborating on the point.

Mr. Alatas said he had received a memorandum from the French Government saying that the international meeting would begin Sunday and last, if necessary, until August 1. "France has asked me to come earlier," he said, speaking before his planned departure Thursday for Paris.

The Paris international conference will be followed by a meeting of senior officials to set up three working groups dealing with an international control mechanism to supervise the promised September withdrawal of Vietnamese troops from Cambodia, a comprehensive solution to the conflict and the economic reconstruction of Cambodia, he said.

Mr. Alatas said the French memorandum also included a provisional list of participants besides the four Cambodian factions, which comprise the Hanoi-backed government of Hun Sen and the resistance coalition of followers of Prince Sihanouk, former Premier Son Sann and the Chinese-backed Khmer Rouge.

Other participants are Vietnam, Laos, the six non-communist states of the Association of Southeast Asian Nations (ASEAN) and the five permanent members of the Security Council—Britain, China, France, the United States [as received].

Zimbabwe and Yugoslavia were invited as current and next chairman of the Non-Aligned Movement along with Australia, Canada, India and Japan.

U.N. Secretary General Javier Perez de Cuellar has also been invited.

ASEAN—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—has been in the frontline of regional efforts to seek a peaceful settlement of the Cambodian conflict since the December 1978 Vietnam invasion.

Normalization of Ties With PRC To Continue

*BK2507105589 Jakarta KOMPAS in Indonesian
18 Jul 89 pp 1, 11*

[Excerpt] The recent political turmoil in the PRC did not deter efforts to normalize diplomatic relations, which were begun by President Suharto and PRC Foreign Minister Qian Qichen when they met in Tokyo on 23 February at the funeral of the late Japanese emperor, Hirohito.

Foreign Minister Ali Alatas said this on Monday [17 July] during his meeting with Parliamentary Commission I headed by its deputy chairman, H. Suhadi Harjosutano of the United Development Party. The minister said: "Up to now, the incident in the PRC has not affected the effort by Indonesia and the PRC to normalize diplomatic relations."

He added, "Our effort to normalize diplomatic relations with the PRC is based on considerations and on our own momentum, while the developments in the PRC have their own dimension and momentum."

He said Indonesia was monitoring the developments candidly and was concerned about the aggressive methods used to suppress the student movement, which resulted in the loss of lives. He voiced the hope that the political turmoil faced by the PRC would be resolved without a further loss of lives.

As such, Alatas went on, the Indonesian Government feels that it has no right to express its concern through criticism—more so, through condemnation—because the turmoil is basically an internal affair.

He said: "The principle of respect for and noninterference in a country's internal affairs has become Indonesia's basic foreign policy." He added that Indonesia fully realizes that the world is getting smaller, countries are becoming interdependent, and an incident in a country will project that country to the forefront, where it will be observed by the whole world.

Foreign Minister Ali Alatas said that the normalization of diplomatic relations between Indonesia and the PRC has been delayed not because of political considerations, but only due to technical issues. He said: "The political considerations were settled when PRC Foreign Minister Qian Qichen met with President Suharto in Tokyo." [passage omitted]

No Plan for Indochinese Economic Cooperation

*BK2507121189 Jakarta ANTARA in English 1021 GMT
25 Jul 89*

[Text] Jakarta, July 25 (OANA-ANTARA)—Indonesia still has no plan to develop Indochina as a market for its economic goods, unlike a number of other ASEAN countries, particularly Thailand.

Answering reporters' questions at a luncheon organized by the Indonesian Executive Circle (IEC) Tuesday, Governor of Lemhannas (National Defence Institute) Major General Subijakto explained that so far Indonesia had not received invitation to step up economic cooperation with the countries of Indochina.

Maj Gen Subijakto said ASEAN agrees in principle to the idea of making Indochina as an economic partner but so far ASEAN still has no common strategy or plan.

"Moves to this direction have so far been only unilateral," the Lemhanas governor said apparently referring to Thailand's action.

Thai Prime Minister Chatchai Chunhawan had stated that he plans to change Indochina from a war arena to a marketing arena.

As a follow up, Thailand has also sent a business delegation to Vietnam and Kampuchea to explore possibilities for economic cooperation, in addition to inviting the leaders of the two countries to Bangkok.

In the luncheon organized by the IEC, a forum for international businessmen, diplomats and government officials, Subijakto gave a presentation on Indonesia's perception of Southeast Asian security concern.

In the presentation, Subijakto said the policy initiated by Thailand is welcomed by Indonesia as a sympathetic step.

On security, he said since the actual threat to Southeast Asia today is not military but socio-economic, the basic Indonesia attitude to cope with security evolves around the concept of national and regional resilience especially around the economic aspect.

Special efforts are directed to enhance the economic and socio-cultural cooperation within Southeast Asia.

All the ASEAN countries have accepted these concepts of national and regional resilience and have started to apply them to the solution of concrete problems.

Crew of Vietnamese Vessel Convicted of Smuggling
BK2607094089 Jakarta ANTARA in English
0902 GMT 26 Jul 89

[Text] Banten, West Java, July 26 (OANA-ANTARA)—All twenty-four crew members of a Vietnamese vessel, the M.V. Tan Binh, were convicted of smuggling ceramics to Indonesia and punished with probationary prison terms Tuesday afternoon [25 July].

The Vietnamese were tried in a district court here after being arrested two months ago.

The captain of the vessel, Ngo Dinh Khoi, was sentenced to one-year imprisonment in a probationary period of two years and fined three million rupiahs with a subsidiary jail term of two months.

Dong Von Duc, household keeper of the ship, was sentenced to 10-month imprisonment in a probationary period of one and a half years and fined two million rupiahs with a subsidiary jail term of one and a half months.

Each of the other 22 crew members were sentenced to six-month imprisonment in a probationary period of one year and fined one million rupiahs.

The smuggled 3,095 decorative ceramic goods were confiscated for the state.

The Vietnamese vessel, M.V. Tan Binh, called on the Cigading port here two months ago carrying a load of scrap iron for further processing at Krakatau Steel.

When customs officers inspected the ship, they found the ceramics on it without the cover of proper legal documents.

25 Accused of Involvement in Anti-Religious Acts
BK2507120189 Jakarta ANTARA in English
1021 GMT 25 Jul 89

[Text] Jakarta, July 25 (OANA-ANTARA)—Twenty-five persons accused of being involved in recent subversive activities in Lampung, Jakarta Raya and West Nusa Tenggara (NTB) are now ready to be brought to court, it was announced here Tuesday.

Attorney General Sukarton Marmosujono, after reporting to President Suharto at the Bina Graha presidential office, told reporters that the subversion cases in the three regions are of one model because all three are suspected to be perpetrated by rightist extremists.

According to the attorney general, the subversive activities had the same aim, namely to establish a theocracy, which is against Pancasila and the teachings of the religion espoused.

Fourteen of the subversive cases involving 14 accused persons originated in Lampung, seven cases involving seven accused came from Jakarta Raya and four cases involving four accused from NTB.

The 25 cases are part of 46 subversive cases now being handled by the office of the attorney general.

More Religious Subversion Cases
BK2507084489 Hong Kong AFP in English 0812 GMT
25 Jul 89

[Text] Jakarta, July 25 (AFP)—Indonesian Attorney General Sukarton Marmosujono said here Tuesday that the courts will shortly hear 46 subversion cases, a charge carrying a maximum penalty of death.

Seven separate trials concerning one specific incident will begin here in August, Mr. Sukarton said after meeting President Suharto.

He said the case involved the activities of what he described as a "popular front" but gave no further details.

Fourteen subversion trials will also start soon in Lampung, south Sumatra, and another four in the western Lesser Sunda Islands, he said.

"The cases are related to the misuse of Islamic teachings. They are usually called extreme right (movements), and deemed to pose a danger to national unity and stability," Mr. Sukarton said of these 25 cases.

Observers said it was likely Mr. Sukarton was referring to an incident in Lampung in February when troops clashed with villagers leaving 38 dead.

Officials said then that the villagers were involved in the "Fisabilillah Mujahedeen Command," a fundamentalist movement seeking to set up an Islamic state in Indonesia.

Informed sources here have since said that the incident may have been sparked off by land disputes, a common cause of grievance in Indonesia.

Although more than 80 percent of Indonesia's 178 million people are Moslem, the government views any attempt to set up a religious state as subversion.

In March, an incident involving troops and local people in a remote village near Bima on strongly Moslem Sumbawa in the western Lesser Sunda Islands resulted in 45 arrests, officials said at the time.

The government promised a full account of that incident but so far has not made one public.

Mr. Sukarton said three other cases, to be handled by courts in central Java, involved three ethnic Chinese charged with organising illegal gambling operations, a crime also categorized here as subversion.

Another case involved a high-ranking customs official charged with corruption, he said, adding that a subversion trial was currently underway in Jayapura, the capital of Irian Jaya, Indonesia's easternmost province whose people are predominantly Melanesian.

The case involved an Indonesian identified only by his initials TW, who according to Mr. Sukarton, had proclaimed a "western Melanesian state."

Forty followers of TW will also be tried soon, he added.

Mr. Sukarton gave no further details about this case, only saying that the prosecution had demanded a life sentence.

Since 1969, when Irian Jaya formally became part of Indonesia, there have been periodic reports of small-scale fighting between troops and the pro-independence Free Papua Movement.

The attorney general did not say when or where the remainder of the 46 cases would be heard or give their details.

Laos

Peace Committee Supports Reunification of Korea

BK2607102489 Vientiane KPL in English 0859 GMT
26 Jul 89

[Text] Vientiane, July 26 (KPL)—The Lao Committee for Peace, Solidarity and Friendship With Other Nations, on the occasion of the month of solidarity with Korean people has issued a statement whose excerpts are the following.

"Thirty-six years ago, a cease-fire agreement in Korea was reached. Since then there has not been any concrete measure aiming at permanently solving the Korean problem. Korea remains divided in two. American bases armed with nuclear weapons in South Korea still seriously pose a threat to peace, stability for the Korean peninsula and the Asia-Pacific region alike."

Having praised the DPR [Democratic People's Republic] of Korea's initiatives for the withdrawal of American bases from South Korea and peaceful reunification of the country, the statement reads:

"American and South Korean administration's refusal to the constructive initiatives of the DPRK is a direct challenge to the aspiration and efforts of the Korean people in wanting to transform the Korean peninsula into a peaceful and denuclearised zone, and make it a nonaligned, neutral country without foreign military bases."

The statement also demands the United States of America to withdraw its forces and military machinery from Korea. It expresses hope that the just struggle of the Korean people for denuclearised Korean peninsula and peaceful reunification of the country would be crowned with success.

Delegations Return From USSR, Cambodia

BK2407143189 Vientiane Domestic Service in Lao
1200 GMT 24 Jul 89

[Text] A delegation of the Foreign Affairs Ministry led by Deputy Minister Souban Salitthilat returned to Vientiane from the USSR on 23 July after attending the socialist countries' deputy foreign ministerial-level conference held in Minsk, the Belorussian Soviet Socialist Republic, in preparation for the 44th UN General Assembly to be convened soon.

The conference discussed various important issues on UN work and the duties of the government delegations from the socialist countries that will attend the assembly—such as increasing the role of the UN General Assembly in building peace; arms reduction; increasing

the efficiency of the UN General Assembly, the UN Security Council in particular; settling regional conflicts; peace-keeping activities of the UN General Assembly; international economic cooperation; cooperation in social security; international environmental issues; social problems and human rights; international law; and UN budgets.

A report also said that on 22 July, Deputy Foreign Affairs Minister Soulivong Phasitthidet returned to Vientiane after attending a seminar on the crimes of the Pol Pot regime, recently held in Phnom Penh, the State of Cambodia.

LPRP Organizational Group Leaves for Cambodia
*BK2207105289 Vientiane KPL in English 0930 GMT
22 Jul 89*

[Text] Vientiane, July 22 (KPL)—A delegation of the Organizational Board of the LPRP CC [Lao People's Revolutionary Party Central Committee] led by its head Oudom Khatthigna, who is also alternate Politburo member and secretary of the LPRP CC left here on July 21 for Cambodia.

During its stay in Cambodia the Lao delegation is to exchange experiences with its hosts on organizational and party building activities as well as in cadre training.

Seeing the delegation off at the airport, among others, were Somlat Chanthamat, secretary of the party CC, head of its training board.

Cambodian Ambassador to Laos Long Kem was also on hand.

Article Comments on Cambodian Neutrality
*BK2607080589 Vientiane Domestic Service in Lao
0000 GMT 26 Jul 89*

[PASASON "article": "The Step That Conforms to Aspirations of Cambodian People"—date not given]

[Text] On 21 July, the Government of the Lao People's Democratic Republic [LPDR] issued a statement supporting the 20 July statement of the Cambodian National Assembly on permanent neutrality and on the achievement of peace, freedom, neutrality, friendship, and cooperation in Southeast Asia. In the statement, the LPDR Government reiterated its support for the principles adopted by the State of Cambodia on peaceful coexistence and on the establishment of friendly relations and cooperation with all countries regardless of their political and social systems, first and foremost with neighboring countries, on the basis of equality; respect for each other's independence, sovereignty, and territorial integrity; nonaggression and noninterference in each other's internal affairs; and peaceful settlement of problems based on the interests of all parties. The State of Cambodia will not involve itself in alliances with any military bloc detrimental to the neutrality of Cambodia,

will not allow any military bloc to install its military bases on the territory of Cambodia, and will not allow its territory to be used as a springboard for interference in other countries' internal affairs.

These principles as noted in the statement have showed the earnest aspirations and just interests of the Cambodian people who want to live in a durable peace, without threats of a genocidal holocaust, in accordance with the national reconciliation policy. They are also considered an appropriate step which conforms to the aspirations of the Cambodian people to build a happy and prosperous life, which will thus contribute to maintaining peace, stability, and cooperation in Southeast Asia.

Together with other countries throughout the world, the LPDR Government holds that the State of Cambodia with peace, independence, freedom, and permanent neutrality constitutes one of the important factors contributing to peace, freedom, neutrality, friendship, and cooperation in Southeast Asia. At the same time, the building of Southeast Asia into a zone of peace, freedom, neutrality, friendship, and cooperation will also contribute to guaranteeing the permanent neutrality of the State of Cambodia as well as a lasting peace in Southeast Asia. The LPDR Government, as well as the multiethnic Lao people, highly values and completely supports the statement of the Cambodian National Assembly, and would like to call on all political parties, governments, and peace- and justice-loving peoples the world over to render vigorous support for the policy of permanent neutrality of Cambodia. The LPDR Government also calls on other countries to respect the independence, sovereignty, and permanent neutrality of Cambodia, and fully hopes that the meeting and talks between Hun Sen and Prince Sihanouk in Paris this month will produce progress to contribute to positively settling the Cambodian problem.

On the basis of this spirit and based on the 1955 Bandung principles, the 1971 principles on turning this region into a zone of peace, freedom, and neutrality, the 1976 Bali principles, the seven-point proposal advanced by the LPDR at JIM I [first Jakarta informal meeting] in July 1988, and the spirit of the UN Charter, the LPDR advances a proposal on building Southeast Asia into a zone of peace, freedom, neutrality, friendship, and cooperation in accordance with the following principles: respect for every country's independence, sovereignty, and territorial integrity; respect for the maritime waters under the jurisdiction of each country and for the privileged economic zones and seabeds of all countries in the Far East Sea; noninterference in each other's internal affairs; nonthreatening to use force and nonuse of force in mutual relations; nonparticipation in and nonorganizing of any political or military alliance with countries inside or outside of this region aimed at opposing each other and opposing other countries outside of the region; nonuse of territory of any country to oppose other countries; settlement of conflicts and disputes among

countries through peaceful means; effective cooperation on the basis of equality and mutual benefits among countries in the economic, scientific, technical, and cultural fields.

This proposal is very reasonable and it is considered a more appropriate method and principle to contribute to settling the remaining regional problems. Only by following this proposal can the mutual understanding among countries in the region be effectively strengthened. But, to achieve the mutual understanding and respect, the countries in Southeast Asia must strive to jointly make efforts to turn Southeast Asia into a zone of peace, freedom, neutrality, friendship, and cooperation for the interests of the people of various countries in Southeast Asia, for lasting peace, and for the development of all countries in Southeast Asia.

Thai, UK Firms Win Cigarette Concession

BK2407043189 Bangkok BANGKOK POST in English
24 Jul 89 p 17

[By Saman Sutto]

[Excerpt] Thapphawong International Co plans to join British American Tobacco (BAT) in taking over the operations of a cigarette factory in Vientiane, Thapphawong managing director Sangwon Wongwan said at the weekend.

The Chiang Mai-based Thapphawong is a major tobacco leaf trader and curer and British American Tobacco one of the world's largest cigarette producers.

Mr Sangwon said the joint venture had decided to take over the Laotian Tobacco Manufacturing Plant following the introduction of the Tobacco Monopoly Law in Laos aimed at protecting the company's investment and suppressing cigarette smuggling.

He said the joint venture and Laotian Government were scheduled to sign a commitment to take over the factory on August 9.

Under the tentative agreement, the company will pay about 500 million baht in fees to the Laotian Government over the first five years, after which further negotiations will be held as Vientiane wants the company to operate the factory for at least 25 years.

The company asked for a five-year trial period before deciding on a longer-term contract as its wants to accurately gauge the scope of the Laotian tobacco industry.

Mr Sangwon said Thapphawong had no experience in manufacturing cigarettes and so needed time to gain some experience in this industry.

He said the company would invest about 100 million baht to overhaul the factory and plant. The overhaul costs are separate from the payment of the 500 million baht to the Laotian Government which is to be paid in Laotian kip. [passage omitted]

Phoumi Vongvichit Thanks Nguyen Huu Tho BK2607104089 Vientiane Domestic Service in Lao 0000 GMT 26 Jul 89

[Text] On 20 July, Comrade Phoumi Vongvichit, chairman of the Lao Front for National Construction [LFNC] Central Committee, sent a thank-you message to Comrade Nguyen Huu Tho, chairman of the Presidium of the Vietnam Fatherland Front [VFF] Central Committee.

The message reads:

I am very pleased to have received your message on 18 July on the celebration of the 12th anniversary of the signing of the Treaty of Friendship and Cooperation between the Lao People's Democratic Republic and the Socialist Republic of Vietnam. I would like to take this opportunity to extend, on behalf of the LFNC Central Committee and in my own name, salutations and congratulations to the VFF Central Committee as well as to you, comrade, and the entire Vietnamese people who have contributed to strengthening the special solidarity and comprehensive fraternal cooperation between our two parties, states, and peoples with every passing day.

May the special friendship, militant solidarity, and comprehensive cooperation between the two parties, Governments, and peoples of Vietnam and Laos be ever more strengthened, thus contributing to more gloriously fulfilling the Treaty of Friendship and Cooperation between Vietnam and Laos.

May the special solidarity and comprehensive cooperation between the VFF and the LFNC be further consolidated and bear more fruit.

I wish you, comrade, good health, long life, and glorious successes in fulfilling your noble tasks.

Rural Development Cooperation With SRV Noted BK2107122789 Vientiane Domestic Service in Lao 0430 GMT 19 Jul 89

[Feature: "Laksao, new rural township—Fruit of Laos-Vietnam Cooperation"]

[Text] Prior to 1984, Laksao had only 10 houses, or more accurately 10 small shacks, which belonged to fraternal people fleeing from the danger of war. The Laksao air strip, built during French rule, was so covered with weeds and trees that a geological survey team had much difficulty finding it. The multiethnic people in the area lived in the most miserable conditions. They worked hard in sun and rain to clear forested areas for crop cultivation and moved from mountain to mountain. Still

they faced starvation. Hundreds died of epidemics every year. However, Laksao has been hiding its riches and natural resources. Khamkeut District [of Bolikhamsai Province] is known for the richness of its vast forests covered with valuable trees of different kinds such as Burmese ebony, (Sam), rain tree, and (Hang). More important is that this area has many (Pek) trees of superior quality. It also has herbal plants and all kinds of birds.

In compliance with the resolutions of the party Central Committee Secretariat and the Council of Ministers, and the Ministry of National Defense of the Lao People's Democratic Republic [LPDR], the Mountain Region Development Company was established and assigned to build the political strength, economic affluence, and cultural and social foundations of the area and to cooperate with the local multiethnic people to build a new life. Confronting hardships and difficulties during its initial stage, the company grew with firm steps due to its cooperation with the fraternal Vietnam People's Army.

A number of economic units of the Vietnamese army in the upper provinces of the southern plains have rendered the assistance of the Lao army's economic units. The two armies first engaged in forestry activities ranging from cutting and processing logs to forest preservation and reforestation. Vietnam's Nghe Tinh Province serves as the gate to the east. Route No 8 was renovated, Xuang Houay seaport was built, and Ke Lo seaport was renovated. It was impressive to see dozens of families of Xuang Houay fraternal people resettling in other places to give land for the Mountain Region Development Company to store timber pending shipment. Tens of thousands of workers from Duc Tho and Huong Son towns were sent to repair Route No 8, damaged by natural disasters. In collaboration with the communications service of Nghe Tinh Province, they were able to basically keep the route servicable. Vehicles, each able to carry not less than 10 metric tons, travel day and night on Route No 8. Vehicles from Laos transport agricultural and forestry products for export while those from Vietnam are loaded with construction materials and a variety of goods.

Route No 8 has significantly contributed to the change of Laksao, Khamkeut, Thong Set, Samat, and Pha Thong. In addition to jointly renovating Route Nos 8A and 8B and building hospitals and schools, Nghe Tinh Province has also helped plant (Khehom) and coffee trees in the area. The Minh Hai Company imported high-yield rice strains and fruit trees from southern Vietnam and planted them along the bank of Kata River. Difficulties were numerous at first, but lessons drawn from past experiences have helped generate progress.

The best result of all this is the pure and sincere relations between the Lao and Vietnamese sides which were and are striving to achieve economic cooperation with technical and business accounting efficiency. It is important to note that the relations between Laos and Vietnam

have existed for many generations, and the two countries are more united and mutually assist each other every day. The land on both sides of the mountain range are testament to the friendship between the two races. Ban Teung canton was once the base of the (Phan Ding Phung) military corps. Route Nos 8 and 12 cost the lives of countless Vietnamese workers during the period of the French aggression. Nape fortress was bathed with the blood of combatants of the (Ha Tien) Company in 1946 and 1947. That point marked the exit of the Ho Chi Minh Trail during the struggle against U.S. imperialists for national liberation waged by Vietnam and Laos.

This is the history and tradition of the two countries. Cadres, combatants, and workers of the Mountain Region Development Company are, therefore, determined to effectively fulfill their duties to deserve the commendation they have received from Comrade Kaysone Phomvihane, secretary general of the Lao People's Revolutionary Party and chairman of the Council of Ministers of the LPDR, in his address at the first ordinary session of the Supreme People Council on 30 January 1988. He said: The fine success of the construction work at Laksao, Khamkeut, is a new example for economic and technical construction in the mountainous and rural regions, the coordination of economic work and national defense, and of relations and cooperation with Vietnam.

Japanese Volunteers To Arrive, Work 'Soon'

BK2507111389 Vientiane KPL in English 0902 GMT
25 Jul 89

[Text] Vientiane, July 25 (OANA-KPL)—Japanese volunteers are soon to work in Laos, according to a document signed here yesterday at the Ministry for Foreign Affairs by the representatives of the Governments of Laos and Japan.

This is the first time ever since the foundation of the Lao People's Democratic Republic that Japanese volunteers are to work in Laos. This move is aimed at promoting the friendship between Laos and Japan and a contribution to gradually improving Lao people's living standard.

Representing the governments of the two countries in signing the document were Mr Souban Salitthilat, deputy foreign minister, and Mr Teruo Hayakawa, Japanese ambassador to Laos.

Council of Ministers' Money Exchange Resolution

BK2607030989 Vientiane Domestic Service in Lao
0000 GMT 26 Jul 89

["Resolution" issued by Council of Ministers and signed by Council Chairman Kaysone Phomvihane "on management of rates of exchanges between kip and foreign currencies"—dated 19 July 1989]

[Text] Based on the resolutions of the fifth and the seventh plenary sessions of the fourth Lao People's Revolutionary Party Central Committee and the resolution issued by the Council of Ministers in its enlarged

meeting on 2 November 1988 on turning bank activities into business, implementing the one-price policy to contribute to normally stabilize market prices and currencies step by step, and based on the proposal of the chairman of the State Bank, the Council of Ministers agrees to issue the following resolution:

Article 1: Empowering the State Bank with the exclusive power to fix and manage the rates of exchange between the kip and foreign currencies throughout the country.

Article 2: The State Bank is empowered to fix average rates for buying and selling foreign currencies, based on foreign currency buying and selling rates prevailing in both domestic and foreign markets. The said average rates must be prudently set in accordance with the demand and supply of foreign currencies in each place and each period.

Article 3: The chairman of the State Bank, ministers, chairmen of state committees, chairmen of provincial and municipal administrations, directors of business banks, and directors of branches of the banks have the duty of organizing the implementation of this resolution.

Article 4: This resolution is effective from the day it is signed. All existing rules and regulations which are contrary to this resolution are null and void.

[Dated] Vientiane, 19 July 1989.

[Signed] Kaysone Phomvihane, chairman of the Council of Ministers.

Cooperation Urged on Suppressing Smuggling

BK2207073289 *Vientiane Domestic Service in Lao*
0000 GMT 22 Jul 89

[Unattributed article: "Let Us Help One Another in Combatting Smuggling"]

[Text] Everyone is saying that the situation in our country is much better than before because the supply of goods is plentiful and it is very convenient to buy things nowadays. This is because the party and state have chosen to pursue a policy of stepping up our contacts with the outside world. Many people are delighted because they are now able to conveniently carry out trading transactions.

In contrast, several persons and production units have shown grave apprehension about the prevailing situation. Some workers and personnel in some enterprises are reported to be complaining because they have not received their salaries on time despite the fact that our trading businesses are tremendously expanding. They are also asking why several state factories and companies are being run inefficiently, spending more money than the amounts allocated in the budgets and failing to pay back bank loans. Some enterprises have to be leased out or sold to other sectors to carry out production.

With regard to this development, I called on Thongphan Vanvisai, a state official in charge of tax collection, to ask him about this issue. He said: According to the section concerning import duties contained in Decree No 9/PSL which has been implemented for some time by the Council of Ministers on the state's tax policy, the state collects import duties on imported goods when they arrive at a border check point, and imported goods whose import duties have been collected are permitted to be freely circulated throughout the country. Only business taxes are paid on these goods during retail transactions. This means that imported goods must pass through a border check point and can be legally distributed and sold throughout the country. This policy is aimed at promoting production; encouraging all economic sectors to vigorously carry out business production; stepping up goods circulation; evenly distributing income among the people of all strata and services; formulating the economic structures for the agricultural, forestry, industrial, and service sectors; ensuring revenues for the state budgets; and stabilizing the markets and prices. All this is the objective of our party.

Nevertheless, at present, tax collection in several sectors in our society can barely be carried out in accordance with the slogan: Being free but legitimate. Instead, collection is largely carried out under the slogan: Being free but illegitimate. Of course, tax collectors are fully aware of this practice but they hesitate to take action to stop it because they are afraid that such an act may run against the party's policy.

At present, our tax personnel are able to collect import duties only from certain major [import] business enterprises. Smuggled goods still comprise a larger percentage of foreign goods brought into the country. Moreover, in many localities, private companies and state organizations have also engaged in large-scale import-export activities. Such a practice does not only run against the party line but also adversely affects the operations of such legitimate business enterprises as import-export companies and factories which have been commissioned by the state to exclusively deal with import-export activities. This can be seen from the fact that several factories and companies are unable to carry out business operations because they are complying with the law. Their goods cannot be sold because their realistic prices are higher than those of similar smuggled goods. The quantities of many kinds of imported goods sometimes exceed the needs of consumers in our country, thus creating large surpluses in warehouses. Many companies are short of revolving funds for operations and many factories are forced to lay off workers because they lack operating funds. Such a phenomenon is very dangerous to our national economy.

Thongphan Vanvisai admitted that tax collection has also encountered numerous difficulties because business operators still lack a sense of patriotism. Most of them

are unwilling to contribute part of their income as tax in accordance with the regulations so as to help carry out national development and construction

Moreover, the existing revenue collection regulations are also incomplete and unclear. For example, the regulations have stipulated that imported goods must be checked at border check points only. But in reality, a large quantity of goods are brought into the country through several crossing points along the borders from the north to the south. Our people living along the borders do not seem to pay any attention to following activities of smugglers because the state does not have a policy on rewarding informants on goods smuggling. Some people even render assistance to these smugglers to carry out their illegal activities. Some tax personnel whose cultural standards and wages are relatively low and who are greedy are even suspected of accepting bribes from smugglers.

At present, the state's tax collection apparatuses still lack adequate manpower and equipment for effecting efficient management and inspection. Compared to the period before the promotion of liberal trading transactions, the amount of revenues collected as taxes has decreased.

Thongphan Vanvisai asked all business sectors, businessmen, and compatriots living along the borders to render cooperation and assistance to tax officials in combatting smuggling and to become more willing to contribute part of the income generated from their business enterprises to national development and construction in accordance with the party's tax regulations. Please realize that every single kip you pay as tax to the state constitutes an important contribution made by patriotic people who are concerned about the future of the country as well as of the future generations who will continue the tasks of building Laos into a prosperous and wealthy country.

State, Economic Production Management Viewed
BK2207112189 Vientiane Domestic Service in Lao
1200 GMT 21 Jul 89

[Introductory Feature: "Clearly Understand and Define the Twin Tasks of State and Economic Production Management"]

[Text] Generally speaking, the renovation of the management mechanism implemented since last year is still in its initial stage. The old and new concepts are mixed up in the management of state administrations and state enterprises. In particular, the task of managing state administrations and economic production has been plagued with numerous problems. For examples, the right of ownership of economic units and state enterprises is exercised in a sluggish manner while production plans have not been materialized. Ambiguous economic accounting system and indebtedness as well as salaries incompatible with the individual's production capacity are also problems. Policies and regulations on finance

and credit, and so forth are neither comprehensive nor flexible. For these reasons, many economic units stand idle and, awaiting instruction from higher echelons, eventually collapse. Some business enterprises take advantage of privileges to operate at their own will and fail to fulfill the goal of their production for their own benefit. Other economic units abuse the right to self-mastery, unscrupulously create chaos in the market, keep fake records, and even smuggle goods into the country and import goods which are not essential to our Lao people's livelihood. At the same time, they fail to fulfill their obligations to the state.

In order to execute the twin tasks of state and enterprise management in line with the new management mechanism designated by our party and state and to facilitate smooth operation in all areas and close coordination, we must clearly analyse and understand these two tasks. State management is executed by administrative organs from the central down to the local levels in accordance with the distribution of work and management with the primary objectives of formulating socioeconomic strategy and plans for the entire country, sectors, and localities; studying, drafting, and promulgating regulations, laws, rules, policies, and instructions on economic and technological activities; coordinating and directing the socioeconomic activities of sectors and localities; developing schedules and plans for the training and distribution of personnel; correctly implementing personnel administration policy; and carrying out inspections to ensure accurate implementation of state policies and plans.

Article 6 of the Council of Ministers' Decree No 16 clearly stipulates that administrative organizations at all levels are empowered to inspect the implementation of state laws and regulations by economic sectors in connection with economic production but they are not allowed to interfere in the latter's legitimate economic production. Administrative organizations cannot impose or collect any tax beyond existing state taxes on economic sectors.

The task of economic production management, on the other hand, is also important. The new mechanism is designed to shorten working procedures so as to boost economic production to produce commodities. Economic units are, therefore, instructed to rely on the strategy, direction, objectives, work procedures, and policies laid down by the state and to fulfill the obligations entrusted to them by the state so as to organize efficient economic production. To effectively carry out the task of economic production management, we must closely follow market conditions; periodically estimate market demands; draw up an economic production plan comprising a production plan, a plan for materials, equipment, and raw material procurement, a financial plan, a labor plan, and a marketing plan; organize the comprehensive implementation of those plans to achieve maximum results; sign economic contracts; and fulfill agreements made with clients. Another problem is that

they must bear their own expenditures; be responsible for profit and losses in line with the absolute accounting system; preserve and protect the environment; and guarantee social peace and security. To correctly define and execute the tasks of state and economic production management will benefit the overall performance of our country in the new era because the expansion of the two said undertakings is interrelated. Therefore, administrative organizations at all levels and economic production units must correctly understand and carry out the twin tasks and make tangible achievements.

Philippines

Aquino Studying Mexican Debt Deal as Model
HK2507154689 Hong Kong AFP in English 1358 GMT 25 Jul 89

[Text] Manila, July 25 (AFP)—President Corazon Aquino said Tuesday the country's foreign-debt negotiators would study the debt agreement Mexico concluded with its commercial creditor banks to see if the Philippines can adopt a similar deal.

The Mexican deal, seen as the first successful application of a plan initiated by U.S. Treasury Secretary Nicholas Brady, called for the cutting of Mexico's bank debt of 53 billion dollars by 35 per cent.

Bankers here said the Mexican deal, announced on Sunday by President Carlos Salinas de Gortari in Mexico City, could pave the way for an accord on Manila's commercial loans, comprising half of its total debt of 28 billion dollars.

"Certainly, we will be studying very carefully what it is that Mexico has gotten," Mrs. Aquino told reporters, adding that they would also determine "portions of the Mexican package (that) would be applicable to the Philippine situation."

"I think one thing also we have to realize is that we have different problems from Mexico," Mrs. Aquino said without elaborating.

She said Central Bank Governor Jose Fernandez was scheduled to arrive here from Washington on Saturday and brief her and a legislative-executive debt policy council on the Mexican deal.

Manila is seeking 1.7 billion dollars in new money along with debt relief from 483 private banks, following negotiations for fresh loans and rescheduling with the International Monetary Fund and the Paris Club of official lenders.

Mrs. Aquino had urged Washington to make the Philippines the first beneficiary of the so-called Brady Plan and reiterated her request for better terms and new funds in a televised speech on Monday.

She said the country was "well-placed" to receive benefits from the banks due to its record of economic adjustment and performance.

The Philippines, which has the highest per-capita debt in Asia, is to spend 12 billion dollars over the next five years to service its debt.

Mrs. Aquino also vowed on Monday to "negotiate forcefully" with the commercial banks, adding that "there is growing recognition that something real must be done about the Third World debt."

Senate Rejects Aquino Dropping Sabah Claim
HK2507115989 Manila PHILIPPINE DAILY GLOBE in English 25 Jul 89 p 6

[By David C. Borje]

[Text] The Senate voted down in a caucus Saturday President Aquino's request that the body adopt a resolution dropping the Philippine claim over Sabah.

Sen. Joseph Estrada disclosed yesterday the Senate's firm stand against the scrapping of the claim. The Senate's decision he said, must have prompted the President to cancel her planned trip to Malaysia this month.

Estrada said that Senate President Jovito R. Salonga conveyed Mrs. Aquino's request to 14 senators present at the caucus. He said the President has intended to bring a copy of the Senate resolution to Malaysia.

The Liberal Party senator said in a light vein that "Noynoy" (Benigno Aquino Jr.) should go to Malaysia instead to cut down on government expenses."

He also noted an "orchestrated effort to damage the Senate." He claimed that the CIA had given up efforts to change the Senate's stand against the extension of the Military Bases Agreement which expires in September 1991.

Meanwhile, several senators came out yesterday in favor of the renewal calls for peace talks between the government and the communist insurgents to pursue new initiatives and possible solutions to the conflict.

Sen. Victor Ziga said many people endorsed the proposed negotiations "in the hope that the rampant, wanton and useless killings may finally end."

Senate Minority Leader Juan Ponce Enrile also favored the renewed peace talks "if this leadership is interested in settling the insurgency issue."

Enrile said even the religious sector had called for a peaceful dialogue between the government and the rebels.

Commenting on the government's offer of P (peso) 1 million each for the capture of 36 regular members of the Communist Party of the Philippines (CPP) central committee, Enrile said "it is really funny and comical" that the President herself had released Jose Maria Sison, the founder of the CPP.

Enrile said the government would save a lot of the people's money if the insurgency problem was solved. He claimed that the CPP-National Democratic Front knew that Mrs. Aquino has a commitment to the U.S. government on the U.S.-RP [Republic of the Philippines] military bases agreement and "could not back out." He did not elaborate.

Sen. Aquilino Pimentel said peace talks should take place without preconditions.

Gen Cacanando Appointed New Army Chief

HK2607031189 Manila PHILIPPINE DAILY GLOBE in English 26 Jul 89 pp 1, 8

[By D. J. Sta. Ana and D. Pelayo]

[Text] Major Gen. Manuel Cacanandao, chief of the Southern Command, is the new head of the Army.

President Aquino told a news conference yesterday that she would soon make other important appointments as part of a top-level Armed Forces revamp brought about by the retirement of 37 generals over the next 10 months.

She appointed 24 new generals last Saturday to build up a pool of officers to take the place of the retiring generals.

Cacanando, 54, replaces Maj. Gen. Mariano Adalem, who retires upon reaching the mandatory retirement age of 56 and is expected to be named to a civilian post.

As head of the Southern Command, Cacanando was in charge of nearly half the Armed Forces as well as waters bordering Malaysia's.

Like Adalem, he is a battle-tested graduate of the elite Philippine Military Academy. He is credited with originating a reputedly successful counter-insurgency concept, the use of "special operations teams" (SOTs), small units trained in psychological warfare and assigned to talk with peasants to win back villages infiltrated by the communist New People's Army (NPA).

The Army has about 65,000 men, more than a third of the 160,000-strong Armed Forces, and is the country's strongest military force.

In her weekly press conference, Mrs. Aquino said Gen. Renato de Villa, AFP [Armed Forces of the Philippines] chief of staff, will announce other new appointments when Adalem formally turns over his command today.

She refused to say if Brig. Gen. Rodolfo Biazon, Marines commandant, who is also chief of the National Capital Region Defense Command (NCRDC), will take over the Southcom post from Cacanando.

"General De Villa will make the announcement," she said.

Meanwhile, Mrs. Aquino said the P [peso] 47-million reward put up by the AFP for the capture of top communist leaders is necessary for the intensified campaign against the outlawed Communist Party of the Philippines (CPP) and its military army, the NPA.

Reacting to suggestions that the P47-million reward be used to create more jobs or fund more income-generating projects, Mrs. Aquino gave assurances that the government has not forgotten this problem and is looking into it.

The alleviation of poverty and the opening of new jobs are also parts of the counterinsurgency campaign, she said.

In a related development, the military in Southern Tagalog yesterday filed charges against Saturnino Ocampo, chairman of the National Democratic Front (NDF), and several other ranking communist leaders for their alleged involvement in the killing of suspected government deep penetration agents within the rebel group.

Brig. Gen. Evaristo Carino, PC-INP [Philippine Constabulary-Integrated National Police] commander in Southern Tagalog, said multiple murder and kidnapping with serious illegal detention charges were filed with the Mauban municipal trial court against Ocampo and other communist leaders.

Named in the charge sheet were Ocampo, his wife Carolina Malay, Gregorio Rosal, Leopoldo Mabilangan, Tirso Alcantara, Geminiano Gualberto, Miel Laureanaria, Maria Angelica La Guardia and others who were only identified by their aliases.

Military authorities filed the charges in the wake of the killing of some 40 CPP-NPA members suspected of being government deep penetration agents.

24 New Generals Named

HK2207075089 Manila THE MANILA CHRONICLE in English 22 Jul 89 p 1

[Text] President Aquino yesterday announced the appointment of 24 new generals in the Armed Force, a move that would pave the way for the retirement of senior officers in the military hierarchy.

High positions in the Armed Forces, including that of the AFP vice chief of staff and commanding general of the Philippine Army, will be vacated as some generals are due for retirement this year.

The newly-appointed generals take their oath before Mrs. Aquino at Malacanang today.

Among those promoted to the one-star rank were Col. Marino Filart, PC regional commander of Bicol; Col. Gerardo Flores, chief of PC intelligence; and PC Col. Oscar Florendo, chief of the Armed Forces Civil Relations Service and former AFP spokesman.

The new generals will take their oath of office before the President today but their promotions still have to be confirmed by the Commission on Appointments.

Retired Maj. Gen. Jose Magno, presidential adviser on military affairs, said the President would announce soon the next commanding general of the Philippine Army to replace Maj. Gen. Mariano Adalem, who will retire on July 26.

Magno added the President would also shortly announce the replacement of Lt. Gen. Antonio Sotelo, who is set to retire on Aug. 13.

Magno disclosed that aside from Adalem and Sotelo, six other generals were scheduled to retire this year.

The new generals, the presidential adviser said, were selected on the bases of professional quality, competence, seniority, current position, year of commission, and year of retirement.

Aside, from Filart, Flores, and Florendo, the new generals who will take their oath today are:

Army Col. Ramon Gavino Jr., air force Col. Jose Comendador; navy captains Carlos Agustin, Dario Fajardo, and Marino Panes Jr., air force colonels Leopoldo Acop Jr., Armando Garcia, Tereso Isleta, and Nicasio Rodriguez; constabulary colonels Umberto Rodriguez and Juanito Aquias;

Army colonels Thelmo Cunanan, Cesar Fortuno, Liberato Manuel, Eliseo Javier, Quintin Alcudia, Orlando Soriano, Emilio Estrella, Eugenio Reyes, Miguel Sol, and Ramberto Saavedra.

Aquino Responds to Senator's Call on Corruption

HK2607022789 Quezon City Radyo Ng Bayan
in Tagalog 0100 GMT 26 Jul 89

[Text] President Aquino is moving to eradicate graft and corruption in her government. The president's action is in response to the call made by Senator Ernesto Maceda to eradicate corruption in the government at the earliest possible time. Senator Maceda pinpointed the main sources of corruption: the Asset Privatization Trust,

Central Bank, Philippine National Bank, and the Department of Finance. Maceda added that the president has given an assurance she will take action against the sources of corruption, especially the Presidential Commission on Good Government and its fiscal agents' activities.

Aquino Sets Up Anti-Graft Councils

HK2407085989 Manila PHILIPPINE DAILY
GLOBE in English 23 Jul 89 pp 1, 6

[Text] Malacanang declared yesterday that the anti-graft councils which Catholic bishops are asking to be set up has been in place for several months now, and are monitoring the activities of government officials and employees.

Reacting to the pastoral letter issued by the Catholic Bishops Conference of the Philippines [CBCP] to denounce rampant graft and corruption in the bureaucracy, President Aquino said in a press statement issued by Presidential Spokesman Adolf Azcuna: "These councils were organized months ago, in line with the directives set by President Aquino."

The pastoral letter entitled "Thou Shalt Not Steal" was read in all Catholic churches yesterday afternoon and will be read in today's masses. It denounced the Aquino administration for allowing graft and corruption to thrive and called on the people to expose thievery through the councils which shall be formed from the barangay to the national levels.

President Aquino did not issue a formal response to the bishops' call for official measures to eradicate the malady.

The bishops said the councils will be composed of "men and women of good standing in the community" but free of partisan political affiliations.

They said graft and corruption has become "an ordinary fixture in our nation's public life," and that Mrs Aquino had personally admitted that graft has returned, "if not to the same extent, at least with equal shamelessness."

In the Palace statement, Mrs Aquino said: "The substance of the letter, which calls on the faithful to help stamp out graft and corruption by organizing monitoring councils, is already being implemented by the anti-graft councils of the government and the Church."

Azcuna said the councils were organized under the chairmanship of Environment and Natural Resources Secretary Fulgencio Factoran with the help of Bishop Teodoro Bacani of the CBCP.

"The councils mobilized parish priests and non-governmental organization precisely to monitor appropriation of public funds and to report abuses by government officials or workers," Azcuna added.

Azcuna pointed out that Roberto Lucila, one of the assistants of Executive Secretary Catalino Macaraig Jr., is coordinating for the executive branch in the anti-graft councils.

He also explained that the Philippine Information Agency [PIA], under the Office of the Press Secretary, has also been cooperating with the councils. Azcuna said the PIA has been printing the requested educational materials to help "in mobilizing the faithful for their monitoring work."

The statement said not say how Mrs Aquino plans to deal with rising incidence of corruption.

Graft and corruption, according to the pastoral letter, is a "sin of the blackest hue and a life destroying plague because it takes public funds away from the poor."

The CBCP, however, stressed they remained supportive of Mrs Aquino but maintained they had to make their stand known about the issue of corruption.

The CBCP is a 96-member organization which holds a powerful sway over the Philippines, where nearly 80 percent of the population are Roman Catholics.

Last month, Mrs Aquino vowed anew to launch a campaign to clean up her government, saying that "no one will be spared." She had made similar statements in the past.

Nineteen officials and employees of the Department of Agrarian Reforms were charged last month with graft in the overpricing of a private estate the government was going to purchase for redistribution to landless peasants. The over-pricing was caught after Agrarian Reform Secretary Philip Juico authorized payment.

Juico resigned but was not included among those charged, but a presidential commission accused him of negligence for not watching his subordinates more closely.

Paper Criticizes Aquino's 'Inaction'

HK2507043589 Manila THE MANILA CHRONICLE
in English 25 Jul 89 p 4

[Editorial: "There Should Be No More Excuses"]

[Text] We have seen President Aquino perform the trick successfully before but apparently it worked again yesterday. Addressing the Congress on the state of the nation midway into her six-year term, the President came across as a sincere and resolute leader out to do battle with the monstrous hydra of poverty, injustice, foreign debt, red tape, graft and corruption, and bureaucratic dishonesty and incompetence.

As in her previous speeches denouncing these evils, her fighting words, directed especially at the judiciary and the rest of the bureaucracy, won her lusty applause. As usual, the audience was with her in denouncing the real enemies of the people. However, in the light of her record as an excellent speechifier but a lousy implementor, the collective sigh of the public was, if only her actions could be as forceful and eloquent as her rhetoric.

There was a difference, however, between yesterday's speech and the President's earlier pronouncements on the state of the nation. Whereas in the past, she sounded intoxicated with the successes, both real and imagined, of her Government, this time she sounded worried about the sustainability and credibility of her achievements.

She admitted that despite the much applauded economic gains and social reforms implemented by her Government, these have had an almost imperceptible effect on the lives of the 30 percent of Filipinos who are very poor. The economic progress of the past three years, she observed, has served more to restore old fortunes than touch the lives of the majority.

She fretted about the rise of criminality and the prominent participation of police and military elements in common crimes. Unless Government brings this situation under control, she warned, "none of our accomplishments will have a lasting impact on the opinion of the public."

She called for more care on the part of military to observe human rights and avoid collateral damage to the civilian population in its counterinsurgency operations.

She prepared to do battle with corruption which she admitted, has become "again, a way of public life." By way of a threat, she hinted at executive action in a few weeks or months to sweep the bureaucracy and restore "clean and honest government."

She condemned the slow delivery of justice and urged the Supreme Court to review the judiciary and rid it of the passive and incompetent judges who delay the resolution of cases.

She took a swipe at the legislature for spending too much time in investigations "of anything."

She agonized over the nation's foreign debt and resolved to "negotiate forcefully" with commercial banks for the reduction of our debt and debt service payments.

She denounced the slowness of the departments under the executive and the local governments for their widespread incompetence in seeing her programs through.

And she reminded the constitutional bodies like the Commission on Audit, the Civil Service Commission and the Ombudsman to guard against bureaucratic delays and unjustified meddling in the name of checks and balances.

The President's enumeration of the problems of Government coincides with the list of frustrations of the people in her Administration. We are heartened therefore by her public acknowledgment of these issues, which, we believe, is the first step towards action.

However, as we observed earlier, the President has, more than once, announced swift and decisive action against various law-breakers such as taxevaders, smugglers, and the like. And although she sounded resolute enough, her words have come to naught. Three years into her term, no one has been prosecuted by her Government for such crimes against the people.

After yesterday's grim and determined pronouncements, however, we think the public will have little tolerance for inaction. The President can no longer afford to allow her Government to drift in an atmosphere of corruption and inefficiency.

There should be no more excuses.

6,000 Teachers, Civil Servants Rally for More Pay
HK2407141389 Quezon City Radyo Ng Bayan
in Tagalog 1100 GMT 24 Jul 89

[Text] Two leaders of teachers and government employees who staged a demonstration this afternoon were arrested by police authorities. They are Eric Torres of NPSTA [National Public School Teachers Association] and Fidel Pabavier of the Alliance of Concerned Teachers. Some 6,000 marchers took part in the rally in front of the Senate to press their demand for higher salaries. They claimed that the bill presented by Congressman Andaya will not meet their needs satisfactorily.

Teachers are asking for a basic monthly pay of 4,500 pesos while government employees are seeking a basic monthly pay of 2,500 pesos.

Aquino Appeals for Reason
HK2607101989 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 26 Jul 89

[Text] Public schoolteachers continue to protest in front of the Senate building. They are demanding 4,500 pesos basic pay and other benefits. Today marks the third day of their protest. The teachers protested at Mendiola yesterday, hoping that their grievances would reach the Office of the President. According to a Department of Education report, over 80 percent of the public schools in Metro Manila have been affected by the teachers' mass leave. President Aquino has appealed to the teachers to be reasonable in their demands.

[Begin Aquino recording in English] First of all, I am told that the strikes came mostly from Manila itself. I would like to appeal to them that the budget really cannot afford to give them what they are asking for. And considering the number of increases that they have received under my administration, I think I would like to believe that they will also be reasonable in this matter. [end recording]

Representative Says Labor Secretary Incompetent
HK2607045189 Baguio City Mountain Province
Broadcasting Company in English 0330 GMT 26 Jul 89

[Text] On the labor front, Labor Secretary Franklin Drilon has been charged with incompetence and responsibility for the proliferation of labor-management problems in the country. Representative Jorge Nunez has charged Drilon of recognizing the Kilusang Mayo Uno [KMU—I May Movement] despite the fact that the movement has now been accredited by the department itself. He said that Drilon continuously allows the KMU to sit in management and labor meetings. He also charged that there are no legitimate labor unions in the country, saying that the KMU is allegedly funded by China, the TUPAS [Trade Unions of the Philippines and Allied Services] by the Soviet Union, and the TUCP [Trade Union Congress of the Philippines] by the United States. No comment from the KMU was granted in the press to Nunez' allegation [as heard].

Aquino Confirms Oil Prices To Rise in August
HK2507093389 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 25 Jul 89

[Text] President Aquino told reporters that members of her cabinet are exploring all means at least to delay the imminent oil price increase. She added that they are taking up negotiations with businessmen, particularly the rice millers, rice traders, and rice retailers, to cooperate with the government by not raising the prices of prime commodities in the country. She said that she has advised Speaker Ramon Mitra on the problem:

[Begin Aquino recording in English] With...[changes thought], I have announced before that oil prices will probably rise in August. I am still telling our people to study this and to find out whether we can delay this a little further. We will advise them about it early next month but I am seeking means that we can delay this just a little bit further. [end recording]

Aquino Submits 1990 Budget to Congress
HK2607111389 Quezon City Radyo Ng Bayan
in Tagalog 1000 GMT 26 Jul 89

[Text] President Corazon Aquino has today sent to Congress the proposed P [peso] 233.5 billion 1990 budget, which is P6.1 billion more than the present budget. A handsome amount is said to have been allocated for education and health. Sel Baisa for the details:

[Begin recording] The chief executive called on Congress to approve the budget proposed by Malacanang because this, she said, has already been programmed to ensure the country's economic progress. The president said that the budget would enable the government to provide better education for a greater number of youths in the country. [end recording]

Citizen's Closer Vigilance Over Congress Urged
HK2407140389 Quezon City Radyo Ng Bayan
in Tagalog 1000 GMT 24 Jul 89

[untitled station editorial]

[Excerpt] [Passage omitted] In fact, there is little we can do with regards to the legislative proposals of Congress, save to urge faster action on important issues confronting the country. There are many reasons why our Congress appears mired in confusion, weakness, and inefficiency. Perhaps it is because we do not have sufficient knowledge of how the U.S. Congress, the British Parliament, as well as the Japanese Diet work. But it may be better that we know nothing about them at all because if we do, we might find out that the whole world is insane.

What the people would like to see the legislators strive for is to enhance the monitoring function of the legislature. In other words, senators and congressmen should do all they can to find out what happened to the laws that they have drafted and approved. However, except for some laws that are truly important, legislators do not seem to devote much time to this endeavour. They leave the matter to the executive branch. And if they see problems in the implementation of their laws, they approach the media instead of Malacanang. Most of them simply keep quiet while still others go overseas.

That is the state of the Congress. Some laws are good, while others are not, and they are all imposed upon us. And if this is going to be the case, we should look into more effective means of checks and balances.

The Constitution provides for the holding of referendum, consensus and other forms of redress but these methods take time and cost too much money. Consequently, the only thing the people can do is to be prepared at all times and be vigilant against the proliferation of bad laws and corrupt legislators. Only a few among us can accomplish this but it is absolutely necessary. If we do not take action, our fate will be a very sad one. We will have so many laws that do not meet the needs of the people.

Will you heed this national appeal?

Guingona Named Senate Majority Floor Leader
HK2407090189 Manila PHILIPPINE DAILY
GLOBE in English 23 Jul 89 pp 1, 6

[By Luis T. Logarta]

[Excerpt] Senate President Pro Tempore Teofisto Guingona Jr. was finally "drafted" yesterday as the chamber's new majority leader, ending weeks of speculation over the replacement of Sen. Orlando Mercado who resigned from the post due to an alleged sex scandal that threatened to blow up in his face.

But Sen. Manintal Tamano was designated "temporary" majority leader, beginning Monday, July 24, when the third regular session of Congress opens, because Guingona was deemed not yet ready to assume the full responsibilities of the sensitive post. [passage omitted]

Aquino Wants Talks With Communist Insurgents
HK2507132189 Quezon City Radyo Ng Bayan
in Tagalog 1100 GMT 25 Jul 89

[Text] President Aquino today said she is in favor of another round of peace talks with communist insurgents. She also said that the government is studying the conditions set by the National Democratic Front. Sel Baesa has the details:

[Begin recording] According to the president, the peace talks will give way to the country's progress, and the proposal is already being discussed at the negotiating table. When asked if she is in favor of peace talks with the local communists, the president immediately replied with a strong yes. [end recording]

Cordillera General Aquias Reports on Insurgency
HK2607030989 Manila MANILA BULLETIN
in English 26 Jul 89 p 12

[By Owen Masagana]

[Text] La Trinidad, Benguet—Brig. Gen. Juanito B. Aquias, Cordillera Regional Command [Recom] chief, asked the Filipino people not only in his area of responsibility but all over the country to unite for the sake of future generations.

General Aquias said that last Saturday, President Aquino urged the Armed Forces of the Philippines [AFP] to help cleanse the military and protect the citizens.

Yesterday during a thanksgiving mass and parade in his honor, General Aquias said that with the help of his officers and men, the wish of his Commander-in-Chief will be carried out.

Benguet Gov. Andres Bugnosen said the promotion of General Aquias is timely and the people of the Cordilleras are thankful to President Aquino, Defense Secretary

Fidel Ramos, AFP chief of staff Gen. Renato De Villa, and PC-INP [Philippine Constabulary-Integrated National Police] chief Major Gen. Ramon E. Montano.

Aquias said that insurgency in his region had declined due to operations against the Communist Party of the Philippines [CPP] and its military arm, the New People's Army [NPA].

Aquias said that recently, troops took a rebel camp in Mountain Province where a list of top CPP-NPA personalities was found. The camp, Aquias said, was inside a cave where rebel leaders held conference.

Among the groups helping his command, Aquias said, are the Philippine Army, CAFGUs [Civilian Armed Forces Geographical Unit], the Air Force, and the Cordillera People's Liberation Army of Fr-Conrado Balweg.

Aquias appealed to rebels within his area to come down and lay down their arms. He promised that the government will help them.

The five provinces under Recom 14 are Ifugao, Benguet, Mountain Province, and Kalinga Apayao.

Meanwhile Lt. Col. Eduardo Calderon reported to General Aquias that the three towns of Lacub, Malicbong, and Tinic (Abra) which were under the influence of the NPA had been liberated.

Col. Calderon, Abra PC-INP chief, said that PC-INP, and the 65th IB [Infantry Battalion] of the Army were responsible for the liberation of the three towns.

Government Steps Up Offensive

HK2507044589 Manila PHILIPPINE DAILY INQUIRER in English 25 Jul 89 p 3

[By Mario Feliciano]

[Text] Zamboanga City—Nine communist rebels, including their commander, were killed in an hour-long gunbattle with government troops Sunday morning in Bacungan, Zamboanga del Norte, a military report received here said.

It said the government suffered one dead and one injured.

The report identified the slain rebel leader as Kumander Arnaiz Bukol, also known as Kumander Quintin of Barangay Murok, Macungan.

The names of the other slain rebels were not mentioned in the report. The government troops suffered one killed and one wounded, but their names were not available as of press time.

Militiamen reinforced the soldiers from the 33rd Infantry Battalion.

In South Cotabato, three people, one of them a three-year-old boy, were killed and three others seriously wounded when unidentified armed men exploded a grenade in Upper Sepaka, Surallah town, Friday morning.

Killed were Limbay Dangan, 16, Tatong Pintongan, 21, and Timbag, Tinapayan.

In Albay, 23 families have fled from their homes to avoid being caught in the crossfire as the military intensified its offensive against NPA rebels.

The families, composed of 115 people, have sought shelter in an elementary school in barangay Manombalay, Albay, since last week.

Maj. Gen. Ramon E. Montano, PC-INP chief, said various government agencies have extended food and clothings to the evacuees.

MNLF Said Preparing Central Mindanao Offensive

HK2207040889 Quezon City Radyo Ng Bayan in Tagalog 0300 GMT 22 Jul 89

[Text] It was revealed at a military briefing that the Moro National Liberation Front in Central Mindanao is amassing forces to prepare for an offensive against the government. The briefing was made by Philippine Constabulary-Integrated National Police regional command 12 chief Colonel Wilfredo Villanueva during a visit by Major General Ramon Montano at Camp Parang, Maguindanao.

Villanueva said that the MNLF was observed to be moving from Sulu and its neighboring islands toward Cotabato and Sultan Kudarat. He claimed that the MNLF plans to launch an offensive to protest the proposed Muslim autonomous region.

Military Keeps Watch on Movements

HK2607031389 Manila MANILA BULLETIN in English 26 Jul 89 p 8

[By Roy Sinfuego]

[Text] Military authorities in Southern Philippines are keeping a tight watch of the movement of the Moro National Liberation Front (MNLF) under Nur Misuari following reports that it had deployed more troops in Central Mindanao, particularly in the coastal areas of Calanugas and Sultan Gumander in Lanao del Sur.

A ranking military officer said that all-Tausog battalion-size troops of Misuari have set two separate camps in Calanugas and Sultan Gumander.

He said that Maranao warlords are becoming restive over the presence of the Tausog MNLF occupation forces in their area.

The absence of government forces in the far-flung areas of Lanao del Norte and Lanao del Sur has prompted the MNLF to deploy its men in the area and their flags there, it was learned.

The MNLF in Maguindanao has set up a semi-permanent basecamp in Dinaig led by Muslemin Sema, the younger brother of the dreaded MNLF commander, Ibrahim Sema, one of the trusted field commanders of Misuari in Central Mindanao.

Semu led the MNLF forces loyal to Misuari in the clash with government troopers several years ago in the coastal and mountain ranges of Lebak in Sultan Kudarat.

Miauari's forces in Maguindanao, however, are being "neutralized" by the Moro Islamic Liberation Front (MILF) under Hashim Salamal, one of the two MNLF splinter groups.

Thailand

Editor Backs Cigarette Ban, Smoke-Free Society
BK2607025989 Bangkok THE NATION in English
26 Jul 89 p 8

[Editorial: "A Smoke-Free Society"]

[Text] The powerful American tobacco industry recently petitioned Carla Hills, the US Trade Representative [USTR], for assistance in prying open Thailand's cigarette market, charging that the Thai ban on importing foreign cigarettes amounts to an unfair trade practice. Officials of the USTR Office will arrive in Bangkok later this month to investigate the complaint.

In a Cabinet meeting on July 11, the Chatchai administration reaffirmed the long-standing Thai policy against importing foreign cigarettes. The reaffirmation followed a strong recommendation by the Public Health Ministry's National Committee for the Control of Tobacco Use which sees the ban as a necessary measure in the continuing national campaign against smoking.

However, US Ambassador Daniel A. O'Donohue last week justified the US attempts to force open Thailand's cigarette market this way: "While public health is a legitimate concern of any government, it would not appear to us to be an issue when foreign cigarettes are banned but domestic cigarettes are not." His statement clearly shows support on the part of the Bush administration for the interests of the American tobacco industry. The oft-used claim that the US government is only responding to industry complaints is simply a shallow excuse.

The near panic reaction of Deputy Prime Minister Phong Sarasin, chairman of the National Committee on International Economic Relations Policy, to a renewed US threat of trade retaliation is entirely uncalled for. The

USTR investigators will not discover anything in Thailand that they do not already know. In fact, the Americans have even come up with estimates of lost revenues to their cigarette industry as a result of the Thai ban. (It is unclear whether the sale of smuggled American cigarettes is taken into account in the estimation.)

Phong's committee, whose responsibilities include negotiations on Thai-US trade problems, yesterday reportedly sought the Cabinet's clarification on the ban. Some members on the committee, particularly Phong and Commerce Minister Subin Pinkhayan, are afraid that the reaffirmation of the ban will mislead the USTR into believing that Thailand is uncompromising on the cigarette question.

The Cabinet apparently backed down by clarifying that its decision on July 11 was merely an acknowledgment of the National Committee for the Control of Tobacco Use's recommendations. There was no need for the Cabinet to reaffirm the ban, since it is already the law.

Although Public Health Minister Chuan Likphai still insists that the ban is imperative for success in the national anti-smoking campaign, the Chatchai administration is leaving the cigarette ban open for negotiation with the USTR.

If Chuan is serious about discouraging smoking, he and the National Committee for the Control of Tobacco should push for a gradual cut in the Thailand Tobacco Monopoly's [TTM] production, and a timetable for phasing out the TTM's operations.

The sale of cigarettes (and all other tobacco products) to persons under 20 years of age should be prohibited. At the same time, fines and other penalties for smuggling, and selling smuggled, cigarettes should be sharply increased. Proceeds from these fines could go to financing the national anti-smoking campaign.

The goal is to turn Thailand into a smoke-free society—a goal officially set in some progressive countries like Singapore and Norway.

This goal is attainable if the Chatchai administration starts working toward it in earnest. With a clear-cut goal of a smoke-free society, Thailand will have one more good reason to continue the ban on foreign cigarettes.

Opening Thailand's doors to imported cigarettes now will only increase the risk of young people taking up smoking. It is well known that foreign cigarette producers, especially those in the US, have no compunction about misleading young people by associating smoking with "success" and "the good life" in their advertising.

Cabinet Tables Ban Issue

BK2607013189 Bangkok *THE NATION* in English
26 Jul 89 p 2

[Text] The Cabinet yesterday failed to resolve the conflict between the Public Health Ministry and the Commerce Ministry in connection with the controversial ban on foreign cigarette imports.

Government Spokesman Suwit Yotmani said Deputy Prime Minister Phong Sarasin withdrew the proposal by his National Committee on International Economic Relations Policy for a reversal of a recent Cabinet resolution reaffirming the ban on foreign cigarette imports.

The spokesman did not explain why Phong did so but hinted that the Cabinet agreed that it was not an appropriate time to discuss the "sensitive issue".

Observers believed that the issue was shelved because of the prevailing mutual suspicions and grudges between the Democrat Party and its coalition partners, including Chat Thai and the Social Action Party (SAP), of which Phong serves as deputy leader, over what the Democrats saw as a betrayal by some 20-30 government MPs during the no-confidence vote on Agriculture Minister Sanan Khachonprasat last week.

Before the Cabinet started the meeting, Public Health Minister Chuan Likphai rejected the remarks by Phong and Commerce Minister Subin Pinkhayan, also a SAP minister, for a review on the July 11's Cabinet endorsement of the National Committee for the Control of Tobacco Use's recommendation to reaffirm the ban on foreign cigarette imports.

Despite Suwit's press statement, Subin told reporters that the Cabinet discussed the issue and finally came to a conclusion that the Cabinet only "acknowledged", and not endorsed the proposal by the National Committee for the Control of Tobacco Use.

"The law banning foreign cigarettes has been in place and therefore, no need for the Cabinet to come up with such a resolution," Subin contended.

Phong's National Committee on International Economic Relations Policy on Monday agreed to raise the issue in yesterday's Cabinet meeting for fear that such a Cabinet decision would affect the position of Thai negotiators to hold informal talks with a team of American officials led by Peter Collins, Southeast Asia director of the US Trade Representative's [USTR] Office.

Collins' team is due to arrive here next week for exploratory talks on a petition by the American tobacco industry against Thailand's ban on foreign cigarette imports and other trade related issues.

Subin said that as a result of yesterday's interpretation, the Thai team of negotiators would not be bound in negotiating with the US counterparts next week.

"Certainly, we will inform the US counterparts of the existing ban as a matter of facts only, thus enabling us to continue dialogues with the US on ways and means to resolve the conflict on the issue," he said.

Official sources said that if the Thai negotiators were required by such a Cabinet resolution to stand firm on the ban, then there would be no point for the American officials to continue talks with the Thai government. In such a scenario, the officials would likely recommend USTR to resort to trade retaliation by imposing a tariff wall on any Thai exports to the US under Section 301 (Regular) dealing with market access.

USTR is given a maximum period of a year to complete its investigation into the petition which was filed last May.

Subin said that the Cabinet's discussion on the issue proceeded in a "positive atmosphere".

Finance Minister Pramual Sabhavasut said yesterday he personally wanted the Cabinet to scrap the ban to increase the revenues from the import duties but the ministry would not go ahead with the plan because of strong opposition from the Public health and anti-smoking campaigners.

"The Thai people fail to recognize the facts that many smokers prefer foreign cigarettes which will continue to be smuggled into the country," he said.

He said whether the ban will be lifted or not depends on the entire Cabinet and the results of the negotiations with the US.

Sitthi: Reconciliation Should Precede Paris Talks

BK2607143389 Bangkok *Voice of Free Asia* in Thai
1030 GMT 26 Jul 89

[Text] Foreign Minister Air Chief Marshal Sitthi Sawetsila told newsmen at Map Taphut Industrial Estate, Rayong Province, on 25 July that the issue of national reconciliation among the four Khmer factions might be included in the work of the second commission set up at the Conference on Cambodia which will begin on 30 July to discuss measures to guarantee the status of Cambodia. He noted that there should first be an agreement among the four Khmer factions on a government of national reconciliation before any discussion on the status of Cambodia. China, which had proposed that a fourth commission be set up to deal with the issue of a government of national reconciliation, also supported this plan.

A Foreign Ministry source disclosed that Thailand had proposed including the question of national reconciliation in the work of the second commission because it felt that the formation of a fourth commission might not work if some countries which do not wish to join it refuse to send delegates to the meeting.

Asked about the outcome of the latest meeting between CGDK President Prince Norodom Sihanouk and Prime Minister Hun Sen of the Heng Samrin regime in Paris on 24 July, and the fact that Hun Sen rejected any discussion on national reconciliation at the International Conference in Paris, Air Chief Marshal Sitthi said the settlement would not be complete if there is no discussion on this matter. He also commented on Prince Sihanouk's rejection of Hun Sen's proposal of a cease-fire saying that the cease-fire is also an issue in the comprehensive settlement. Asked about Hun Sen's rejection of a role for the United Nations in the International Control Mechanism or ICM, the foreign minister said the rejection would be tantamount to Hun Sen reversing his earlier stand because Hun Sen had earlier accepted in principle the UN role. The matters which are still unsettled concern the details about the power and responsibilities of ICM, and the number of countries to take part.

Seven commissions will be set up at the Paris conference. They include: the first commission to deal with the formation of an international control mechanism to monitor troop withdrawal, cease-fire, and cessation of foreign assistance, as well as the elections; the second commission will deal with guarantees for the status of Cambodia—a neutral, unified, and nonaligned state; and the third commission will deal with repatriation of Cambodian refugees and economic reconstruction.

Proposes Committee

BK2607010789 Bangkok *THE NATION* in English
26 Jul 89 p 2

[Text] Foreign Minister Sitthi Sawetsila said yesterday that at the International Conference [IC] on Cambodia, Thailand will propose that a committee be set up to work on measures to guarantee Cambodia's independence and neutrality after the Vietnamese troop withdrawal.

The move is tantamount to a proposed change of the IC's draft agenda, which according to the French proposal, would include the setting up of three committees to deal with different aspects of the Cambodian settlement.

One committee would work on the Vietnamese troop withdrawal and the cessation of external aid, another on an international control mechanism to verify the withdrawal and oversee general elections, and a third on the repatriation of refugees and the economic reconstruction of Cambodia.

Sitthi's proposal, on the other hand, would combine the first two committees proposed by France, leave the third intact, and set up a new committee to deal with Cambodia's future independence and neutrality.

He said the Thai proposal will be raised during the IC's plenary ministerial session, which begins on July 30.

Further Sitthi Remarks

BK2607142389 Bangkok *Domestic Service in Thai*
1300 GMT 26 Jul 89

[Text] Speaking to newsmen this morning at Parliament House about the lack of progress in the discussion among the four Cambodian factions, Foreign Minister Air Chief Marshal Sitthi Sawetsila acknowledged that the four factions have been unable to reach any agreement, but he felt the conference of the countries concerned will help persuade them to come together because they want peace to materialize in Cambodia. He felt that if there is a will there is a way and that the Cambodian problem can be solved.

Sitthi said that today he met with the president of the SRV national assembly who said that every party should compromise in order to solve the Cambodian problem. The SRV nation assembly has already approved the withdrawal of Vietnamese troops from Cambodia in September.

Regarding the current fighting between the Vietnamese-Heng Samrin side and the Cambodian resistance forces, which has affected the Thai border, Sitthi said the campaign will continue as long as there is no cease-fire and no agreement has been reached. Those involved in the current heavy fighting aim to gain some advantage. Asked about the Vietnamese claim that its troops would be pulled back 30 km to avoid consequences on the Thai border, Sitthi said that has not been the case because artillery shells continued to fall in Thai territory, particularly in the Site 8 refugee camp.

On the resignation of the Japanese prime minister, the foreign minister said it has no effect on Thailand; it is an internal affair of Japan. He expects the Liberal Democratic Party to continue as the ruling party in Japan because it still holds a majority in the Diet. He does not want to speculate on who might be the next prime minister of Japan.

Article Urges Compromise at Paris Talks

BK2507142989 Bangkok *Voice of Free Asia in Thai*
1030 GMT 25 Jul 89

[Article: "International Conference for Settlement of the Cambodian Problem"]

[Excerpt] [Passage omitted] France is arranging a meeting between the various Cambodian factions before the international conference on Cambodia so that the factions can discuss distribution of power, an international

control mechanism to oversee the withdrawal of Vietnamese soldiers from Cambodia, and a format for national administration prior to a general election.

Premier Hun Sen's Heng Samrin regime does not want the Khmer Rouge to have a part in the new administration and has proposed, instead, a supreme national council comprised of all four Cambodian factions. This proposal has been rejected by the Coalition Government of Democratic Kampuchea [CGDK]. Meanwhile, the CGDK has called for dissolution of both itself and the Heng Samrin regime in order to form a provisional coalition government comprised of all four Cambodian factions to administer the country.

Rejecting the Khmer Rouge's participation is tantamount to inviting new problems if the Khmer Rouge do not accept a new agreement. Because the Khmer Rouge make up the strongest military faction in the CGDK and because they are also Cambodians, they should also have the right to participate in national administration. For this reason, Hun Sen's and Vietnam's attempt to block the Khmer Rouge shows that Hun Sen wants to become the strongest military faction in Cambodia.

Meanwhile, the international community is concerned about three issues. Will Vietnam really withdraw its troops? Many Vietnamese soldiers have concealed themselves in the Hun Sen army, and many Vietnamese have assimilated themselves in Cambodia by marriage to Cambodians and settlement in that country. The second concern is a return to power by the Khmer Rouge, while the third concern is the possibility of a civil war after the Vietnamese withdrawal if the Cambodian factions fail to reach a compromise among themselves.

It should be possible to settle these concerns through discussions to find an agreement acceptable to all and guaranteed internationally under the framework of a control mechanism and implementation by an organization that is accepted worldwide—the United Nations, with its vast experience in the mediation and settlement of disputes, supervision of troop withdrawals, and organization of general elections. The UN Peacekeeping Force was awarded the Nobel Peace Prize in 1988. Therefore, Vietnam and the Heng Samrin regime should not reject UN participation if they want a fair, efficient, and internationally accepted guarantor of neutrality. Their reasoning that UN recognition of the CGDK makes a UN role in settlement of the Cambodian problem unacceptable is unfair because the CGDK is willing to accept dissolution of itself and the Heng Samrin regime in order to form a provisional quadripartite government to administer Cambodia prior to the general election.

Moreover, UN Resolution No. 43/19 clearly stipulates that there will be no return to power of a policy that is condemned worldwide. This means the United Nations has guaranteed that the Khmer Rouge will not be allowed to return to power by itself. Therefore, all

Cambodian factions should adopt an attitude of compromise toward each other if they are sincere and determined to solve their country's internal problems so that the Cambodians who have suffered as a result of the disorder in their country can return to once again live happily in their homeland.

Market Ties Replace Military Threat in Indochina

*BK2607084389 Bangkok Voice of Free Asia in English
1500 GMT 18 Jul 89*

[“Part One” of Article: “Battlefield to Marketplace”]

[Text] Thai-Indochinese economic relations, particularly in the areas of trade and investment, have of late been given a strong boost. To be sure, Thailand's incumbent government's battlefield to market policy has been favorably accepted and draws praises from practically all sources in Thailand and its Indochinese neighbors. The policy, which shows the clear-cut stance on the part of the Thai Government, has strongly stimulated the interest of Thai entrepreneurs to trade and invest in the three Indochinese countries.

To flesh out its policy, the Thai Government has dispatched successive high-powered delegations across the border to improve and cement political and economic links between Thailand and its neighbors. Encouragingly, all these goodwill advances on Thailand's part have been fully reciprocated by the Indochinese countries. Barely 3 months in office, Prime Minister Chatchai Chunhawan himself led a mission to visit Laos in November 1988 with the purpose of once and for all removing a major stumbling block in the way of Thai-Lao relations, namely the border conflict between the two countries that erupted in the shootout at Ban Romk-lao. The mission also explored mutual trade and investment opportunities.

As it turned out, the premier's mission bore fruit. Both sides agreed to settle border disputes in line with the principle of regional peace. The joint communique published on the occasion also included the agreement to cooperate toward the political settlement in Cambodia, which is another broiling issue in the subregion, to tackle the Lao refugee issue with the UN High Commissioner for Refugees, and to exchange military attaches. Lao Prime Minister Kaysone Phomvihane accepted an invitation to visit Bangkok from General Chatchai, who said Thailand was ready help develop telecommunications network, hydroelectricity, agriculture, and boost export-oriented production in Laos.

Moreover, apart from agreements in principle to begin construction of the bridge connecting the two countries, a project to which Australia, Sweden, and Japan were (?listed) to have offered a deal with them to form a national level joint cooperation committee.

Then, in February 1989, the Lao premier and his entourage, numbering in the hundreds, crossed the Mekong River to meet Gen Chatchai in Nakhon Phanom on the occasion of the celebration of Phra That Phanom, a pagoda enshrining a relic of the Buddha held sacred by people in both countries. In addressing the crowd, the Thai premier confirmed that Thailand was willing to assist Laos in every possible way, including training and technical exchanges. "I am not afraid of undesirable ideology," claimed Gen Chatchai, "that is why I initiated the policy to open new markets so that war should be over." He continued: "We have accepted that our common enemy these days is poverty, we must help the people to live a good life; battle should be over because countries responsible are no longer at war."

To discuss in detail the two countries' trade ties, Commerce Minister Subin Pinkhayan accompanied by aides earlier this year met his counterpart, Lao Trade and Economic Relations Minister Phao Bounnaphon in Vientiane. The 2-day talks were held in atmosphere of friendship and understanding on both sides. According to a memorandum signed at the meeting, Thailand and Laos agreed to more contacts and exchanges of information on monetary matters at both commercial and central bank levels. Laos also offered to enter joint ventures to establish commercial banks in Laos under the investment law announced in the middle of last year. Dr Subin suggested that fund transfer in trading be in Thai currency instead of U.S. dollars because of the increasing trade volume between the two countries. Laos reportedly agreed to the proposal and will amend regulations accordingly to facilitate the procedures. The Lao side also proposed the opening of more border points, especially one at Chong Mek in Udon Thani Province to increase trade with Laos at (Vang Chao). A major construction project is underway in Laos and it is necessary to open the border to transport construction materials to the project. This matter has been accepted by Thailand for consideration. Laos, moreover, agreed to lift its ban on log exports. However, a joint working committee on timber production and marketing will be set up. Other issues agreed upon include a call by Laos to revise the list of banned strategic exports to Laos, which Thailand has already cut to 29 items; two, a call by Thailand for Laos to lower export duties on agricultural products and finished and semifinished wood products from Laos; three, a call by Laos for Thailand to revise existing transport costs for transit of cargo to Laos, which amounted to 62 U.S. dollars per ton against the only 16 U.S. dollar per ton from Khlong Toei port to Nong Khai; and agreement to cooperate in the suppression of the border smuggling. Trade and Economic Minister Phao also accepted Minister Subin's invitation to visit Thailand.

New Chapter Opens

*BK2607101589 Bangkok Voice of Free Asia in English
1500 GMT 25 Jul 89*

[*"Part Two" of Article: "Battlefield to Marketplace"*]

[Text] In mid January 1989, a new chapter opened in Thai-Vietnamese relations with Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila visiting his counterpart, Vietnamese Foreign Minister Nguyen Co Thach, in

Hanoi. The two ministers claimed that during their 4-day talks there was general agreement on the timetable for the withdrawal of the Vietnamese from Cambodia. The rapprochement between Thailand and Vietnam was so evident and warm that Air Chief Marshal Sitthi, for the first time, referred to Mr Thach as his younger brother, and Mr Thach reciprocated by calling Air Chief Marshal Sitthi elder brother.

[Words indistinct] such cordiality has thus erased their mutual distrust. Past bitterness was replaced by elating over breakthroughs on several issues, including the Cambodian conflict. In economic and business matters, the friendly and cordial atmosphere likewise greatly contributed to the success of the visit by a large group of businessmen, bankers and industrialists who accompanied the Thai foreign minister on that mission. This source opined that the cordial atmosphere will also encourage the Thai private sector to invest in and do business with Vietnam.

Strictly speaking, the Thai Government still does not approve government-to-government trade and economic cooperation with Hanoi because of the Vietnamese military occupation of Cambodia, but by including business and banking leaders in his delegation Air Chief Marshal Sitthi implied the government's support for the Thai private sector in exploring business opportunities in Vietnam. The officials and academics in Air Chief Marshal Sitthi's mission who had discussions with their Vietnamese counterparts returned home with a positive impression of the country, whereas the majority of them previously perceived Vietnam as a direct security threat to Thailand, with a fearsome military capability. They now see it as a country in great need of economic development beckoning to the world to come in with assistance.

Air Chief Marshal Sitthi's visit also paved the way for Prime Minister Chatchai to travel to Vietnam later on. In early 1989, the Thai prime minister announced that he would visit Vietnam before the end of September and would be accompanied by the businessmen. In January 1989, Prime Minister Chatchai invited Hun Sen to travel to Thailand as his private guest. Hun Sen's unofficial visit demonstrated a major hallmark of the Thai premier's new-look diplomacy which was characterized by flexibility and simplicity, with little regard for the protocol and diplomatic niceties. Gen Chatchai's initiative in inviting his Phnom Penh counterpart to Bangkok for the dialogue in his capacity as head of the Khmer faction also constituted a sharp swing away from the decade-long foreign policy that sought to shun the Vietnamese-backed Phnom Penh regime.

Be that as it may, the bold initiative as it turned out failed to have any real impact on the unresolved political situation in Cambodia. Yet, in economic terms, Hun Sen's visit has been a boon to both Thailand and Cambodia, especially in respect to their border trade which has boomed following the private visit by Hun Sen

to Bangkok. The situation in Koh Kong, which is a major point of entry to Thai goods into Cambodia, has changed drastically. A source reported from Koh Kong that Hun Sen's visit to Bangkok has spurred the already thriving trade between this Cambodian coastal town and the Thai province of Trat. Thai businessmen have flooded the port town looking for substantive opportunities as logging, selling basic necessities, and purchasing gems. Each day, dozens of trawlers and long-tailed boats travel back and forth between Koh Kong and Khlong Yai District in the Thai province of Trat carrying all types of basic commodities en route to Cambodia. They carry forestry products on the return journey. Local authorities in Koh Kong said the number of boat trips has more than tripled since Hun Sen visited Bangkok. More transactions can be expected if Thailand officially opens a checkpoint in Khlong Yai District in Trat to accommodate the increasing trade. The checkpoint will also permit the imports of logs from Cambodia.

Koh Kong Governor Rung Phromkeson informed this source Thai businessmen have recently visited Koh Kong and have expressed interests in several trade and investment projects, such as logging. More than ten Thai entrepreneurs have proposed investment in soap, tooth paste and detergent factories. Gem purchasing is another major business, and a group of Thai traders go to Koh Kong to buy unpolished stones which are from the Cambodian town of Pailin, opposite Trat's Borai District, and Prachin Buri Province. According to the governor, Koh Kong now carries on trade transactions with Thailand, Singapore, and Taiwan, valued at roughly 100 million baht per month. Recent favorable developments and a subsequent sharp rise in border trade due to the opening of more customs checkpoints and increased trading activities augur well for Thailand and the Indochinese countries. Growth in trade to be conducted in line with the principle of comparative advantages will greatly enhance the well being of the people in the countries in region.

In the meantime, in the three Indochinese countries, natural resources remain largely unexploited beckoning investors to exploit them to maximize benefits for all. A quick glance at the trio will confirm that they are richly endowed.

Chatchai Meets PRC Vice Foreign Minister
BK2607123189 Bangkok XIN ZHONG YUAN
RIBAO in Chinese 22 Jul 89 p 16

[Text] Prime Minister General Chatchai Chunhawan held talks with visiting Chinese Vice Foreign Minister Liu Shuqing on 21 July. The major topics of discussion were Cambodia and the recent turmoil in China.

Suwit Yotmani, spokesman of the Prime Minister's Office, reported that during Prime Minister Chatchai's meeting with Chinese Vice Foreign Minister Liu Shuqing at Government House yesterday afternoon, both sides reiterated their desire to see the four warring

Cambodian factions together establish a quadripartite government under the leadership of Prince Sihanouk. He said that Chatchai and Liu Shuqing also called on Vietnam to honor its pledge to withdraw all its troops from Cambodia by the end of September.

The Chinese Vice Foreign Minister said: There has been no change in Chinese foreign and domestic policies despite the turmoil which rocked China in June. He also thanked Thailand for not interfering in China's internal affairs during the Chinese Government's suppression of the turmoil.

Suwit went on to say that both sides agreed that China and Thailand had shared and would continue to share close relations.

Liu Shuqing also met Thai Foreign Minister Air Chief Marshal Sitti Sawetsila on 20 July to review preparations for the Paris international conference on Cambodia to be held on 30 July. The Chinese Vice Foreign will leave Bangkok for Beijing on 25 July.

Vietnam

Thais 'Going Against Grain' on U.S.-Khmer Aid
BK2607070589 Hanoi VNA in English 0615 GMT
26 Jul 89

[Text] Hanoi VNA July 26—Commenting on a REUTER report quoting a Thai official as saying on July 24 that Thailand has granted the United States permission to supply weapons through Thai territory to the Cambodian opposition factions, NHAN DAN today says that this is an act that goes against the grain. The paper says:

"Thailand has recently endeavoured to contribute to the search for a political solution to the Cambodia issue in the interests of peace and stability in Southeast Asia. Such positive contributions have been recognised by the world public. But the latest revelation shows that Thailand is going back on its own policy of making the Indochinese battlefield a 'market-place'. Far from contributing to a fair and equitable solution to Cambodia, it has, by so doing, chimed in with Washington in creating the danger of an outbreak of civil war and inflicting more sufferings on the Cambodian people". The army paper QUAN DOI NHAN DAN, for its part, puts a question mark on whether Washington and Bangkok are colluding with each other to prevent the common effort of most countries concerned towards an early political solution to the Cambodia issue. It says: "Such revelation has belittled down public opinion."

Radio Reports Vo Chi Cong's Stopover in Havana
BK2607060189 Hanoi Domestic Service in Vietnamese
2300 GMT 25 Jul 89

[Text] After attending Nicaragua's 10th Liberation Day, Comrade Vo Chi Cong, member of the party Central Committee Political Bureau and chairman of the Council of State, made a stopover in Havana between 20-23 July before leaving Cuba for home on 24 July.

Comrade Juan Almeida Bosque, member of the party Central Committee Politburo and vice president of the Cuban Council of State, and other high-ranking cadres of the Foreign Ministry and the Communist Party of Cuba Central Committee's Foreign Relations Department were present at the airport to bid farewell to Chairman Vo Chi Cong and the other comrades accompanying him.

Do Van Tai, our country's ambassador to Cuba, and many Vietnamese cadres and specialists on work assignment in Cuba were also present at the airport to see off Chairman Vo Chi Cong.

SRV Supports Cambodia's Permanent Neutrality
BK2507123089 Hanoi Domestic Service in Vietnamese
1100 GMT 25 Jul 89

["Full text" of SRV Government's 25 July statement on Cambodia's permanent neutrality and a zone of peace in Southeast Asia]

[Text] The statement on Cambodia's permanent neutrality announced by the Cambodian National Assembly on 20 July 1989 is an important event in the political life of the Cambodian people as well as in international relations in Southeast Asia. The statement totally met the Cambodian people's legitimate interests and aspirations to live in lasting peace and national reconciliation, without the threat of the genocidal regime, to rebuild their bountiful and happy life.

With the permanent neutrality status, Cambodia shall implement the principle of peaceful coexistence; develop friendly relations with all countries regardless of their political and social systems, first of all with neighboring countries; refrain from participating in any alliance or treaty contradicting its neutrality; not allow any foreign political organization or military bloc to install their bases on Cambodian territory and use Cambodia as a springboard for interference in other countries' internal affairs. The statement stressed that Cambodia reserves its right to defend its permanent neutrality in line with the UN Charter and the principles of the Nonaligned Movement.

Cambodia's permanent neutrality creates conditions for Cambodia to fully implement its right to self-determination. Any form of political system and government selected by the Cambodian people through free general elections must respect Cambodia's permanent neutrality status. All changes related to the political system and government should not cause concern for neighboring countries and other countries concerned. Foreign countries must strictly respect Cambodia's permanent neutrality, refrain from interfering in Cambodia's internal affairs, and not take advantage of Cambodia to oppose one another.

A neutral Cambodia that advocates friendship and cooperation with all countries is in compliance with the interests of lasting peace in Southeast Asia and the rest of the world. Cambodia's permanent neutrality and independence is a very important factor for the cause of peace and cooperation in Southeast Asia. Also, the setting up of a Southeast Asian zone of peace, freedom, neutrality, friendship, and cooperation as proposed in the 24 July 1989 statement of the Lao People's Democratic Republic [LPDR] will create conditions for implementing Cambodia's permanent neutrality.

The SRV totally supports the Cambodian National Assembly's statement on Cambodia's permanent neutrality and the LPDR's statement on the setting up a Southeast Asian zone of peace, freedom, and neutrality. Vietnam contends that respect for Cambodia's permanent neutrality and the setting up a zone of peace, freedom, and neutrality in Southeast Asia is an important contribution to restoring peace and development in Southeast Asia and the rest of the world.

The SRV pledges that it will respect Cambodia's permanent neutrality and the Southeast Asian zone of peace, freedom, and neutrality.

The Vietnamese people strongly believe that with a desire for lasting peace and stability in Southeast Asia, peoples and nations within and outside the region will sympathize with and support Cambodia's statement on its permanent neutrality and the LPDR's proposal for a zone of peace, freedom, and neutrality in Southeast Asia.

All Troops Said Out of Cambodia by 27 September
BK2607154089 Hanoi VNA in English 1456 GMT
26 Jul 89

[Text] Hanoi VNA July 26--According to SPK, in the morning of July 25, the delegation of the State of Cambodia to the round-table talks among the Cambodian parties, distributed to the press the following announcement:

"In execution of the declaration of April 5, 1989, from May 1989 to July 1989 part of the Vietnamese volunteers who remained in Cambodia have been repatriated together with their heavy arms. The final and complete withdrawal will take place from September 21 to September 26, 1989, by land, river and sea. The repatriation routes will be announced later. Thus, as of September 27, 1989, all Vietnamese volunteers will have been withdrawn from Cambodia."

General Attends Nicaragua Solidarity Meeting
BK2607155989 Hanoi VNA in English 1500 GMT
26 Jul 89

[Text] Hanoi VNA July 26--A Vietnam-Nicaragua Friendship Association delegation led by Major-General Bui Nam Ha has attended an international get-together in solidarity with Nicaragua recently held in Managua.

The Vietnamese delegation joined 180 associations of solidarity and friendship with Nicaragua from 69 countries in demanding that the United States immediately stop its interference into the Nicaraguan internal affairs, put an end to its financial and military aid to the Contra rebels, and lift its trade ban against Nicaragua.

The Vietnamese delegation also attended the opening of an international book fair in Managua. A number of books and other publications on Vietnam's land and people as well as Vietnam's solidarity and friendship with the people of Nicaragua and Latin America as a whole are also on show.

Do Muoi Receives IMF Delegation 25 Jul

*BK2607160189 Hanoi VNA in English 1458 GMT
26 Jul 89*

[Text] Hanoi VNA July 26—Chairman of the Council of Ministers Do Muoi cordially received here Tuesday [25 July] a delegation of the International Monetary Fund led by Mr Anoop Singh which visited Vietnam from July 16-26.

While here, the delegation had working sessions with the concerned Vietnamese offices on building an economic adjustment programme aimed at reducing inflation and stabilizing the economic situation in Vietnam and normalizing Vietnam's borrowing relations with IMF and the international financial community.

The delegation informed Chairman Do Muoi of the results of its working visit and expressed its confidence that Vietnam would achieve desired results in her economic stabilization programme.

Party Leaders Greet Day of Cuban Rebellion

*BK2507153789 Hanoi VNA in English 1458 GMT
25 Jul 89*

[Text] Hanoi VNA July 25—Vietnamese leaders have extended their warmest greetings to their Cuban counterparts on the 36th anniversary of the day of national rebellion of Cuba (July 26).

The message, jointly signed by General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh, President of the State Council Vo Chi Cong, and Chairman of the Council of Ministers Do Muoi was addressed to Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee, president of the State Council and chairman of the Council of Ministers.

The message praised the attack on the Moncada Barracks on July 26, 1953 as a decisive turning point leading to the January 1st, 1959 victory, and expressed joy at the achievements recorded by the Cuban people over the past 30 years in their socialist construction as well as in fulfilling their noble internationalist duty toward fraternal countries.

It says:

"Cuba has set a bright example strongly encouraging the other nations who are struggling for peace, national independence, democracy and social progress. Developing the Moncada spirit of revolutionary offensive, the Cuban party, government and people are resolutely implementing the resolution of the Third Congress of the Communist Party of Cuba, accelerating the process of readjustment for economic development, and consolidating national defence, thereby taking the cause of socialist construction constantly forward.

"The Communist Party, Government and people of Vietnam greatly rejoice at those achievements and sincerely wish the fraternal Cuban people, closely united under the leadership of the Central Committee of the Communist Party of Cuba headed by you, greater successes in their glorious revolutionary cause."

Two UNDP-Funded Development Projects Signed

*BK2307082989 Hanoi VNA in English 0510 GMT
23 Jul 89*

[Text] Hanoi VNA July 23—Documents of two UNDP-funded projects, one for processing aroma chemicals and fragrance materials and the other for developing rubber seed oil and damar resin-based paints, were signed here at the weekend.

Signatories to the project documents were representatives of the Vietnam General Department of Chemistry, the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO).

The first project, codenamed VIE/86/033, will develop the preparation in laboratory of basic commercial-quality aroma chemicals and the production process at a minimum scale of 100 kg each of the three kinds of aroma chemicals used in producing soap, cosmetics and detergents, and the engineering design of a production scale facility to produce aroma chemicals from essential oils. It will also formulate new fragrances and develop and test-market new consumer products. UNDP will contribute \$718,000 and the Vietnamese government, Vietnamese dong 148.4 million.

The second one, VIE/86/040, aims at developing a high-quality resins and paints industry which incorporates naturally occurring materials, reducing the cost of importing such products or raw materials and promoting natural rubber plantations. Under the project, UNDP will contribute \$430,000, and Vietnam dong 788.6 million.

Provincial People's Council Elects New Members
BK2607093989 Hanoi Domestic Service in Vietnamese
2300 GMT 25 Jul 89

[Text] Recently, the Thua Thien-Hue Provincial People's Council held its first session and elected a chairman, two vice chairmen, and six members of the provincial people's committee and various subordinate organs of the council.

The council devoted much time to discussing the program of action for the second half of the year and placed special importance on the following tasks and policies:

- It is necessary to promptly stabilize and reorganize mechanisms so they become more compact and efficient.
- Urgent measures are needed to provide jobs for redundant workers, cadres, and state employees.
- Rational working and living rearrangements must be made so a number of villas and large facilities can be set aside for the promotion of tourism and production.
- Steps must be taken to thoroughly review the operations of the industrial, small industrial, and handicraft sector as well as to gradually reorganize production operations.
- Appropriate measures and policies must be worked out to encourage various economic sectors to develop production and business activities in the right direction.
- It is important to put every piece of waste land under the cultivation of fall-winter vegetables, subsidiary crops, and other crops for export.
- Active efforts must be made to care for the summer-fall rice in order to make up for the losses that Typhoon No. 2 has caused to the 5th-month-spring rice crop.
- Steps must be taken to promote trade and tourism with foreign countries and overseas Vietnamese.
- Continued efforts are needed to promote joint ventures with foreign countries and increase the volume of export products to reach the target of 10 million rubles or dollars.
- Plans must be worked out to overcome tax collection shortfalls, especially industrial and trade tax, and to guarantee 12 billion dong of tax collected for the last half of the year so as to meet all spending requirements.
- Resolute efforts are needed to effectively do away with cultural activities of a decadent nature. Special care must be given to closely monitoring publishing activities and video film shows in accordance with the spirit of the resolution adopted by the fifth session of the eighth National Assembly.

Vo Van Kiet Interviewed on Economic Matters
BK2607050789 Hanoi Domestic Service in Vietnamese
1100 GMT 25 Jul 89

[Interview with Council of Ministers Vice Chairman Vo Van Kiet by unidentified SAIGON GIAI PHONG correspondent, in Ho Chi Minh City, date not given—read by announcer]

[Text] Question: Would you please assess the specific results of the current anti-inflation program?

Answer: What is most significant is that the state has achieved something that it could not do in the past. The people used to live with an economy in which the prices of goods and gold and the rates of foreign exchange were constantly on the rise like an irreversible trend. Many people also believed that the government necessarily dared not take harsh measures. As a result, inflation had grown. As long as inflation exists, it will be impossible to have economic stability. At present, although we still have to follow up and continually deal with many outstanding problems, it is likely that the cost of living will be relatively stabilize for some time. Particularly, rice prices should remain stable, despite the fact that recent typhoons and flashfloods have caused some difficulties. This is what we could not achieve previously with the system of subsidies. For several months, the prices of gold and US dollars have declined along with the government decision to authorize easy dealing in gold and foreign exchange. Some of the measures that we have taken, are quite courageous, such as adjusting foreign exchange rates, which means actually recognizing the real value of our currency. The new interest rates indicate the definite severance from the system of subsidies and credits. I think that the people's confidence in the government's ability to cope with inflation as well as in the value of our currency has been restored considerably.

Question: Many people still express concern over the long-term challenge of these measures.

Answer: We have worked with international currency experts. They said that inflation in Vietnam is not as serious as they thought. The anti-inflation experiences of countries in Latin America and the Pacific and Asia region also give us several lessons. In 1985, the world public took much interest in the Latin American countries' successes in countering superinflation. However, in early 1989, inflation returned to hold sway in Brazil, Argentina and Bolivia. Inflation reached 100 percent 60 times in Argentina and 120 times once in Bolivia. Even prices increased by 60 percent in a month in Bolivia even though industry is relatively developed in all these countries. This means that inflation can not be completely dealt with just once. Secondly, there is no perfect program for countering a chronic inflation. While settling prices, balancing the budget, reducing deficits, resolving unemployment, maintaining production and

developing livelihood, many times we had to temporarily accept one thing and lose another, to accept the bad in order to avoid the worst. It is therefore not easy to get unanimous agreement on an anti-inflation program. The problem is to watch the results of each stage. Third, the international research circles of the Economic Cooperation and Development Organization have reached a conclusion that Asian countries, especially East and Southeast Asia, due to their cultural, historical and social characteristics, usually have the ability to cope with inflation very effectively. With facts in the recent past, I believe that our state and people can succeed in this respect.

Question: To what extent can this stability be maintained, according to you?

Answer: At present, the government has taken a relatively active position. There have been suggestions that the government should freeze prices but we do not have to take such extremist measures. The prices of gold or dollars are no longer fixed by string pullers in the dark. Such an initiative will give the government more premises on which to gradually adjust the cost of living, gold prices and exchange rates to a reasonable extent suitable to the set objectives and goals. We do not think of maintaining current prices forever. Increases in prices within controllable limits can also bear an effect on stimulating and accelerating production. We can achieve this primarily through our practical ability to develop production and by applying economic levers such as interest rates.

Question: The present industrial, small industrial, and handicraft production and business situation has caused concern about serious inflation. What is your opinion?

Answer: One of the most important issues in industrial production and business is capital. This problem must be positively resolved in the days ahead by the bank sector through an appropriate credit system; that is to provide more loans to capable production units and refrain from extensively withdrawing capital. Recently, with a view to resolving the collection and purchase of rice, the state has boldly used hundreds of billions of dong to buy paddy from the peasants. This measure is aimed at strengthening the peasant's purchasing power, thus helping increase the consumption of industrial goods. I think that the present industrial production situation was caused mainly by the consequences of chronic inflation, partly by the consequence of curbing inflation, and most importantly by the challenge in shifting to accurate business accounting and competition in production and business. Stagnation in production was experienced mostly at state-run production units which were familiar with the subsidized system, thus paying less attention to economic results. Meanwhile, smuggling of foreign goods into the country was yet another cause for production setbacks. As a result, the government will take drastic action to stop goods smuggling. However, the importance of foreign goods has brought about positive

effect because it teaches us how to compete for survival and reminds us to think about the consumers, especially their tastes, purchasing power, and preference, thus forcing us to change our old production equipment, improve production patterns, develop new products, and improve packaging. It is interesting to see the changing of position: in the past goods were produced by the subsidized system and then circulated to prescribed destinations with subsidized prices, that is the producers decided what the people wanted; now the consumers decide what kind of goods the producers should produce at what level of quality and prices. For me, the advertising in Hanoi and Ho Chi Minh City is a good phenomenon.

Question: Would you please assess the prospect of foreign investment at present?

Answer: At present we are expanding our foreign economic relations with many international economic and financial development organizations, foreign governments, and investment and financial circles. We do not worry about foreign investment opportunities, but we are concerned about our ability to optimally exploit these chances. For its part, the government has many tasks to carry out, including the formulation of precise measures to encourage investment which relate to taxation, prices, services, real estate lending, and rates of electric and water supply. Pending a general regulation, the government is ready to provide favorable consideration to each case to reach an acceptable solution for both sides. For domestic production circles, they should be prepared in their capability, manpower, and technical economic projects to carry out negotiations rationally to ensure the interests of both sides. It is inevitable that we should experience obstacles and setbacks at the beginning, but we must realize our weaknesses and strive to overcome them.

Government Establishes Import-Export Bank

*BK2407150589 Hanoi Domestic Service in Vietnamese
0500 GMT 22 Jul 89*

[Text] The Council of Ministers has promulgated the decision on the establishment of the Vietnam Import-Export Bank.

The Vietnam Import-Export Bank is a partnership corporation having the juridical status of a legal entity. The bank operates independently in the area of business accountability and engages in credit, money, and banking operations in support of production, processing, and manufacture of export products and import-export activities on a national basis.

The Vietnam Import-Export Bank operates according to set regulations and rules as prescribed by law. The bank is subjected to the guidance and supervision of the Ministry of Foreign Economic Relations and the Vietnam State Bank when it comes to special services.

Even though it is a newly-established installation, the Vietnam Import-Export Bank has attracted large numbers of shareholders. In Ho Chi Minh City, in just 5 days—10-15 July 1989—2,702 shareholders completed registration. In the North, 850 shareholders also contributed capital to the bank.

Legal Action Taken Against Illegal Videos

*BK2407145189 Hanoi Domestic Service in Vietnamese
0500 GMT 21 Jul 89*

[Text] According to VIETNAM NEWS AGENCY, more than 1,500 videotape recorders in Hanoi City have been registered. In the meantime, some 1,000 others have not been registered and have contributed to the uncontrollable spread of videotapes, thus causing regrettable consequences.

To restore order, the Hanoi Cultural and Information Service has joined hands with public security and market control forces in dealing with more than 70 cases of transgression against the regulations on videotape recorders and movies. A number of cases will be subjected to legal action because of their serious nature.

The list of violators included many organs of control, such as Unit H-22 of the Ministry of Interior, the Ba Dinh District People's Organ of Control, the Ba Dinh District Military Command, Station No 99 of the Hanoi Capital Military Region, the Vietnam Animated Cartoon Enterprise, Unit C-29 of the Police Department of the Ministry of Interior, the Dong Nhan City Ward People's Committee, the Tu Liem District Film Projection Corporation, the Son Tay City Film Projection Corporation, the Son Tay City General Cultural Service Corporation, and the Tu Liem District Cultural Center.

Heedless of existing rules and regulations, the above-mentioned units have held commercial shows using tapes that have been banned because of their bad contents.

The most serious case involved Nguyen Van Thu at 63 Ba May, who owned, disseminated, and circulated decadent videotapes. The inspection team confiscated 61 tapes, including many cassettes of a pornographic and decadent nature.

Apart from the above-mentioned cases that have already been uncovered and dealt with, as far as the four urban districts are concerned, a large number of showing places continue to operate for commercial purposes in numerous places, including many restaurants and membership clubs.

It is necessary for Hanoi to get more personnel to oversee the screening of video movies and to join hands with the people and the entire society in working out effective measures against black videotapes.

More on Legal Proceedings

*BK2607060989 Hanoi Domestic Service in Vietnamese
1100 GMT 25 Jul 89*

[Text] According to TUOI TRE [Youth], the Ministry of National Defense has officially decided to initiate legal proceedings against the screening of harmful video movies in the Tan Son Nhut Airport area.

The Air Force commander has ordered units in the Tan Son Nhat Airport area to immediately suspend the service of those Air Force officers and soldiers implicated in the recent screening of black video movies, revoke land allocation certificates, confiscate those video tape players already seized, and search for more video tape recorders still owned by those households involved in the recent illegal video shows.

Earlier, various units also suspended the service of those air force personnel implicated in 30 violations.

The investigation results released by the political section of the Logistics General Department indicate that 44 households in this Logistics General Department personnel living quarters have been involved in the screening of harmful video movies. Violators included seven officers—five of them field grade officers, five air force specialists, 28 national defense workers, and four households with retired or discharged soldiers.

The X-28 Enterprise of the Logistics General Department has taken disciplinary action in the forms of letters of warning to 13 violations, has issued reprimands against 14 cases of direct involvement in illegal shows, and has criticised 13 families whose children had lent a helping hand to various showing places by working as parking lot attendants or guides.

Air Defense Officers School History Reviewed

*BK1707153389 Hanoi Domestic Service in Vietnamese
2330 GMT 13 Jul 89*

[Statement by Major General Nguyen Sinh Huy, commander of the Air Defense Technical Command Officers' School, on training activities during the past 25 years; date not given—recorded]

[Text] Twenty-five years ago, on 16 July 1964, the then air defense officers' school—now the Air Defense Technical Command Officers' School—was established to meet requirements of the anti-U.S. resistance war for national salvation. Coming into being 25 years ago as a small school with poor material-technical bases that helped train cadres for the artillery branch, the school became a regular officers' school, training cadres for the artillery, air defense-missile, and air defense-radar branches.

During the anti-U.S resistance war for national salvation, while the school implemented the motto of "Training must go along with combating," it helped

train a large number of air defense cadres for the battlefields. The school also directly participated in hundreds of battles, shooting down 91 U.S. aircraft of various types, thereby contributing worthily to the nation's revolutionary cause.

Although the school underwent many changes during the past 25 years, ranging from its organization to new methods of learning and training, it has consistently and profoundly grasped the revolutionary task and situation; at the same time, it has creatively implemented the party's education line of study in close association with practice, and of integrating lessons from the school with battlefields and the society. The school has consistently strived to enhance the quality of training and has triumphantly fulfilled all tasks entrusted by the higher echelons.

The school, in more than 100 long- and short-term training courses, has produced more than 40,000 air defense cadres for the Vietnamese Armed Forces and almost 2,000 others for the fraternal Lao and Cambodian Armies. Many of them have become intermediate and high-ranking officers of the Air Defense Force. This is the great pride of the school. The school's success was due to the all-out efforts made by its entire teaching staff, cadres, workers, and personnel.

The school has also received support from many units and localities, such as the Nghe Tinh provincial party organization, administration, and people; Binh Tri Thien Province and the capital of Hanoi, where the school used to join hands with them in fighting against the enemy; friendly units; Army officers' schools; the Hanoi Polytechnic College; the Vietnam Sciences Institute; enterprises; joint enterprises in and outside the Army; and other state agencies that have extended valuable assistance and created favorable conditions for the school to satisfactorily fulfill all assigned tasks. It can be said that through 25 years of combating, building, and working, the school has gained vast experience in training and educating, which will serve as valuable lessons for the school to speed up the renovation process in training air defense cadres for the current situation.

The essence of the school's training task is its effort to educate and train students not only in the military field, but also in other aspects to help them comprehensively develop their personality to meet requirements of an Army officer. In other words, a graduate Army officer must have vast knowledge of various fields in addition to

his qualified professional skills. This has been the guiding concept of the school for carrying out all activities in the past as well as for implementing the renovation undertaking at present. The school will consistently enhance its all-round training quality and strive to apply the new party concepts in practical training. This is not an easy task, because it requires great efforts to resolve many links and issues. Implementing resolution No 115 of the Military Commission of the Communist Party of Vietnam Central Committee, the school has firmly concretized the training objectives of each specialized branch to meet requirements of cadres' initial and key positions and has designed rotation training programs, taking into consideration the requirements for engaging in fighting by the air defense force.

It can be said that from this point, the school may extensively revise its training plans and programs along the direction of expanding specialized fields, improving teaching, and enhancing the students' working capability. The school has step by step developed its training methods and expanded drilling at the school and at various units. It has also organized main and auxiliary training courses, increased the period of practical training, and regulated training activities.

During the past several years, the school has built 11 additional classrooms for special training, a combat training system, and a field for drilling; completed three sets of educational films; established mobile firing targets for training; and designed other educational models and teaching aids, thereby facilitating teaching and learning. Teachers and cadres have consistently improved their quality to meet all requirements for teaching. The school has paid special attention to improving the educational environment, strived to satisfactorily promote the relations between education and training and between studying and drilling, while helping the students to effectively adapt themselves in practical life and to use their knowledge derived from the school to fulfill assigned tasks. Thanks to these efforts, the school's training quality has improved considerably.

Implementing the renovation undertaking, firmly grasping the party line and viewpoints, and developing experiences drawn from 25 years of teaching, the Air Defense Technical Command Officers' School is striving to overcome difficulties and weaknesses to surge forward to build the school firmly and strongly in all aspects to triumphantly fulfill all assigned tasks so as to be worthy of the confidence accorded to it by the party, fatherland, and the people.

Australia

Spokesman Says No Military Cooperation With Fiji
BK2507055489 Melbourne Overseas Service in English
0500 GMT 25 Jul 89

[Text] The Australian Government says it is not intending to reestablish military cooperation with Fiji. A spokesman for Australia's foreign affairs minister, Senator Evans, said such matters were kept under constant review. However, he said no consideration was being given to resuming military contacts with Fiji which were canceled after the 1987 coups.

The spokesman was commenting on a suggestion by a senior Australian member of Parliament that Australia should restore military links with Fiji.

Speaking during a private visit to Suva, the chairman of a joint parliamentary committee on foreign affairs, Mr David Charles, said other countries, such as France, were likely to give Fiji military assistance if Australia did not.

Christmas Island Angry Over Mine, Assembly Move
BK2407071489 Melbourne Overseas Service in English
0500 GMT 24 Jul 89

[Text] There is continuing bitterness on Christmas Island over Australia's decision to close phosphate mining and sack the local assembly. Radio Australia's national affairs reporter, Christopher Kramer, says the dissent surfaced during meetings between the House of Representatives' Legal and Constitutional Affairs Committee and communities on the island.

Kramer says the committee found broad support for the adoption of Australian laws but lingering resentment over Canberra's alleged insensitivity to local opinion.

Elections for a new assembly will be held later this week, but the new body will have only an advisory role to the administrator appointed by Canberra.

Christmas Island was a former British colony which is being run by Australia as a territory since 1958.

Papua, New Guinea

'Jail Escapee' Charged With Murder of Minister
BK1807074689 Melbourne Overseas Service in English
0500 GMT 18 Jul 89

[Text] Police in Papua New Guinea have charged a jail escapee with the murder last month of the country's communications minister. Police said the 33-year-old man from a village in the Western Highlands was arrested early yesterday.

The AUSTRALIAN ASSOCIATED PRESS says the man appeared briefly in the Mount Hagen District Court and was remanded in custody until 2 August.

The communications minister, Mr Malipu Balakau, was shot outside his Mount Hagen home on 30 June.

Solomon Islands

Premier Refuses To Meet Australia Minister
BK2107090089 Melbourne Overseas Service in English
0800 GMT 21 Jul 89

[Text] The Solomon Islands prime minister, Mr Solomon Mamaloni, today refused to meet the visiting Australian foreign affairs and trade minister, Senator Gareth Evans.

At a press conference in Honiara before leaving for Vanuatu, Senator Evans said he did not feel personally slighted, but was disappointed. Senator Evans said he had been given no explanation why the prime minister had refused to meet him. He added that the incident would not in any way affect the relationship between the two countries.

Mr Mamaloni earlier this week also refused to meet with the British state minister for foreign and commonwealth affairs, Lord Glenarthur. No reason was given.

Meanwhile, the RAAF [Royal Australian Air Force] aircraft carrying Senator Evans and his party has been forced to make an emergency landing at Honiara. One of the plane's engines developed a fault soon after takeoff from the island of (Makira) en route for Vanuatu forcing the plane to return to Honiara for repairs.

Vanuatu

Lini Cancels Evans Meeting Due to Poor Health
BK2407083289 Melbourne Overseas Service in English
0500 GMT 24 Jul 89

[Text] Another Pacific island state leader has failed to meet an appointment with Australia's foreign affairs and trade minister, Senator Gareth Evans. In Port Vila, the prime minister of Vanuatu, Father Walter Lini, canceled his meeting with Senator Evans at the last minute because of poor health.

Earlier, Father Lini's arch rival, Mr Barak Sope, missed an appointment with the foreign minister, and in Solomon Islands the prime minister, Mr Solomon Mamaloni, refused to see him.

Radio Australia's Stewart Heather says that despite the setbacks, Senator Evans says his 10-day visit to the Pacific has been a success. Before leaving Port Vila Senator Evans completed a \$6 million Australian aid agreement with Vanuatu. Australia is providing the money to develop Vanuatu's tourism industry by helping the national carrier, Air Vanuatu, purchase a Boeing 727 aircraft. The plane will service the route between Australia and Port Vila.

During his Pacific trip the foreign minister visited the Federated States of Micronesia, Kiribati, American Samoa, Western Samoa, Tuvalu, Solomon Islands, and Vanuatu.

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